

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY
OF TORONTO, IN THE PROVINCE OF ONTARIO**

**CROWE SOBERMAN INC., in its capacity as
Licensed Insolvency Trustee of 1482241 Ontario Limited**

MOTION RECORD OF 1482241 ONTARIO LIMITED (“148”)
(RE: Payout of Funds to 148 - Returnable January 17, 2020)

January 13, 2020

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Court File No. 31-2303814
Estate File No. 31-2303814

ONTARIO
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IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY
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**CROWE SOBERMAN INC., in its capacity as
Licensed Insolvency Trustee of 1482241 Ontario Limited**

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TAB 1

Court File No. 31-2303814
Estate File No. 31-2303814

**ONTARIO
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IN BANKRUPTCY AND INSOLVENCY

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**CROWE SOBERMAN INC., in its capacity as
Licensed Insolvency Trustee of 1482241 Ontario Limited**

**NOTICE OF MOTION
(Returnable January 17, 2020)**

THE MOVING PARTY, 1482241 Ontario Limited (“148 Ontario” or the “Company”), will make a motion to a Judge on January 17, 2020, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order
 - a) if necessary, abridging the time for and validating the service of the Notice of Motion and the Motion Record;
 - b) directing Crowe Soberman Inc. (“**Crowe Soberman**”), in its capacity as proposal trustee for the Company (“**Proposal Trustee**”), to release substantially all of the Company’s funds currently in Crowe Soberman’s possession and control to the Company; and

2. Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. 148 Ontario was the registered owner of the lands and premises located at 240 Duncan Mill Road, Toronto, Ontario (“**Property**”), a multi-unit, commercial building;
2. On October 13, 2017, 148 Ontario commenced restructuring proceedings under the *Bankruptcy and Insolvency Act* (“**BIA**”) by filing a Notice of Intention to Make a Proposal (“**NOI**”);
3. Crowe Soberman Inc. is the proposal trustee with respect to the Company’s NOI (“**Proposal Trustee**”);
4. The Proposal Trustee entered into a transaction to sell the Property, which was approved by the Court on March 16, 2018 (“**Approval and Vesting Order**”). The Approval and Vesting Order also states that the proceeds from the sale of the purchased assets (“**Sale Proceeds**”) would be held by the Proposal Trustee in trust, pending further Order of the Court;
5. The Company made a proposal to its creditors (“**Proposal**”) on or about April 12, 2018. The creditors voted in favour of the Proposal at the creditors’ meeting;
6. The Proposal was approved by the Court on June 12, 2018 (“**Approval Order**”);
7. Mirroring the terms of the Proposal, the Approval Order also set out a process for the determination of claims filed by creditors in the estate. The Proposal Trustee was to make an initial determination as to whether a claim ought to be admitted or disallowed, but the Company is ultimately adjudicating the claim if necessary;
8. Pursuant to the Proposal, the Company was to pay amounts owing to the creditors with valid claims

from the Sale Proceeds and the proceeds realized from any law suit commenced against Avison Young. The Company retained its other assets;

9. The Company has continued in business since June 2018 and has pursued real estate opportunities and investments;
10. Pursuant to the Approval Order, the Proposal Trustee had made an initial determination for every claim in the Proposal Proceedings;
11. Between March 2018 and October 18, 2018, all amounts owing to the secured creditors were paid in full in accordance with various orders of the Court;
12. All undisputed claims have now been paid by the Proposal Trustee;
13. On December 6, 2019, Justice Pattillo ordered that the remaining creditors' claims in dispute, except for the claim of Allevio Clinic #1 Toronto Inc. o/a Allevio Inc. ("Allevio") that is currently subject to an appeal from disallowance, provided until January 6, 2020 to advise the Company that it continued to assert a claim in the Proposal or otherwise forfeit their claim ("Claims Confirmation Process");
14. Two of the seven creditors have now forfeited their claims by failing to correspond with the Company by January 6, 2020;
15. Only \$223,157.03 remains in dispute between the Company and the remaining creditors subject to the Claims Confirmation Process;
16. \$486,050.06 in dispute between the Proposal Trustee, the Company, and Allevio;
17. Alain Checroune, in his personal capacity, and Caruda Holdings Ltd. also maintain their claims in the proposal proceeding;

18. The only remaining steps to be completed in the administration of the Company's estate involves seeking the final determination of the creditors' claims that remain in dispute;
19. Although the administration of the Company's estate is substantially complete, the Proposal Trustee remains in possession and control of a portion of the Sale Proceeds;

Remaining funds should be disbursed to the Company

20. It was initially anticipated that the Proposal Trustee would hold on to the Sale Proceeds for a short period of time following the closing of the Sale. There is no reason for it to continue to do so. The Proposal does not require the Proposal Trustee to hold the Sale Proceeds pending determination of the claims;
21. The most cost-effective and straight-forward way to move forward is for the Proposal Trustee to be relieved from holding the Sale Proceeds in trust, and to allow the Company to have access to its own money;
22. It is usual in a debtor driven restructuring for the debtor to have access to its funds;
23. There is no reason why the Company should be required to have funds tied up with the Proposal Trustee while it litigates the remaining disputed claims of unsecured creditors, which the Company has in each case denied;
24. The Endorsement of Justice Pattillo indicating the intention of the Company to take possession of these funds was provided to the service list and all the disputed claimants on December 10, 2019 by the Proposal Trustee and no objections were received;
25. The Proposal Trustee does not oppose the relief sought herein;
26. The inherent jurisdiction of this Honourable Court; and

27. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Affidavit of Alain Checroune, sworn January 13, 2020;
2. Such further and other evidence as this Honourable Court may permit.

January 13, 2020

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TAB 2

Court File No. 31-2303814
Estate File No. 31-2303814

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**CROWE SOBERMAN INC., in its capacity as
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**AFFIDAVIT OF ALAIN CHECROUNE
(Sworn January 13, 2020)**

I, **ALAIN CHECROUNE**, of the City of Toronto in the Province of Ontario, make oath and swear:

1. I am the President and a director and officer of 1482241 Ontario Limited (“**148 Ontario**” or the “**Company**”), and as such I have personal knowledge of the matters to which I hereinafter depose. Where this affidavit is based upon information received from others, I have identified the source of that information, and verily believe that information to be true.

2. I swear this affidavit in support of a motion brought by 148 Ontario for an Order, *inter alia*, directing Crowe Soberman Inc. (“**Crowe Soberman**”), to release substantially all of the Company’s funds currently in Crowe Soberman’s possession and control, other than the \$15,000 the Proposal Trustee is required to retain as a Proposal Default Fund (as defined in the Proposal), to the Company.

Background

3. 148 Ontario was the registered owner of 240 Duncan Mills Road, Toronto, Ontario (the “**Property**”). The Property is a multi-unit, commercial building located near the intersection of Highway 401 and Don Mills Road in Toronto, Ontario.

4. On October 13, 2017, 148 Ontario filed a Notice of Intention to Make a Proposal (“**NOI**”) under the *Bankruptcy and Insolvency Act* (“**BIA**”). Crowe Soberman Inc. is the proposal trustee for the Company (“**Proposal Trustee**”).

5. The Proposal Trustee entered into a transaction for the sale of the Property in late February 2018 (“**Sale**”), which was approved by the Court on March 16, 2018. As a result of the Court’s Approval and Vesting Order, the Company’s assets, including the Property, vested with the purchaser free and clear of all claims. The Court also ordered that:

- (a) the proceeds from the Sale of the purchased assets (“**Sale Proceeds**”) would stand in place of the assets themselves for the purposes of determining the nature and priority of potential claims;
- (b) the Proposal Trustee would hold the Sale Proceeds in trust, pending further Order of the Court; and
- (c) the Proposal Trustee could not make any distributions from the Sale Proceeds without Court approval.

Attached hereto and marked as **Exhibit “A”** is a copy of the Approval and Vesting Order of Justice Hainey, dated March 16, 2018.

6. The Sale closed on March 29, 2018.

7. On or about April 12, 2018, the Company made a proposal to its creditors (“**Proposal**”),

which is attached hereto and marked as **Exhibit “B”**.

8. The Proposal was approved by the Court on June 12, 2018 (“**Approval Order**”). A copy of the Approval Order and the corresponding Endorsement by Justice Hainey is attached hereto and marked as **Exhibit “C”**.

9. Pursuant to the Proposal, the Company was to pay amounts owing to the creditors with valid claims, drawing on the Sale Proceeds and the proceeds realized from any law suit commenced against Avison Young. The Company retained its other assets.

10. The Proposal is substantially complete. The only remaining steps to be completed in the administration of the Company’s estate involves seeking the final determination of some creditors’ claims that remain in dispute.

Claims Process

11. The Approval Order also set out a process for the determination of claims filed by creditors in the estate. The Proposal Trustee was to make an initial determination as to whether a claim ought to be admitted or disallowed, but the Company is ultimately adjudicating the claim if necessary.

12. Pursuant to the Approval Order, the Proposal Trustee had made an initial determination for every claim in the Proposal Proceedings.

13. Between March 16, 2018 and October 18, 2018, all amounts owing to the secured creditors were paid in full.

14. All unsecured claims that the Company does not dispute have also been paid. In particular, on December 6, 2019, Justice Pattillo ordered that the following distributions be made from the Sale Proceeds to the following creditors:

- (a) \$199,934.53 to Toronto Hydro;
- (b) \$26,375.57 to Canada Revenue Agency;
- (c) \$3,197.25 to the City of Toronto; and
- (d) \$350,000 to 148.

Attached hereto and marked as **Exhibit “D”** is a copy of Justice Pattillo’s Order and Endorsement dated December 6, 2019.

15. Given all of the above payments, as of December 6, 2019, the following creditors of 148 remained in dispute and unpaid:

- (a) Daikin Applied - \$12,353.69;
- (b) Devry Smith LLP - \$128,153.49;
- (c) GDI Services - \$95,746.42
- (d) North York Family Holdings - \$46,442.42;
- (e) Quality Allied Elevator - \$18,247.23;
- (f) Rogers - \$871.56;
- (g) YYZ Plumbing - \$17,960.20

Collectively, the above creditors are referred to as the **“Disputed Creditors”**.

16. Given the remaining Disputed Creditors, the Proposal Trustee brought a motion returnable December 6, 2019 seeking approval of a process to adjudicate the Disputed Creditors’ claims.

17. On December 6, 2019, Justice Pattillo ordered that the Disputed Creditors’ claims were to be confirmed through a process as follows:

- (a) The Debtor shall send a notice to each of the Disputed Creditors, advising of its position, by December 13, 2019;
- (b) The Disputed Creditors shall have until January 6, 2020, to respond to the Debtors' notice, to advise whether they dispute the Debtor's position with regard to their claims;
- (c) Any Disputed Creditor who does not respond to the Debtor's notice by the time prescribed shall forfeit its claim; and
- (d) A 9:30 appointment will be set in January 2020, for the purpose of scheduling a date upon which the Debtor may argue its objections to the Disputed Creditors' claims, on notice to the Disputed Creditors, including the Allevio Appeal.

I will refer to the above process as the "**Claims Confirmation Process**" throughout the remainder of my affidavit. A copy of Justice Pattillo's Order and Endorsement dated December 6, 2019 is attached as Exhibit "D".

18. On December 13, 2019, in accordance with the Claims Confirmation Process, the Company sent a notice to each of the above Disputed Creditors advising, in part:

...Having reviewed the Claim, the Company is determined based on a review of its records that no amount is owing to you in respect of the Claim made. Accordingly, please be advised that in the event there is no written response from you prior to January 6th, 2020, indicating that you continue to assert this Claim and are prepared to engage in litigation to determine its value, your Claim will be deemed extinguished and no amount will be payable in respect of that Claim in accordance with the Proposal Proceedings.

19. The Company received responses from the following 5 of the 7 Disputed Creditors prior to the deadline of January 6, 2020:

- (a) Daikin Applied Canada Inc.;
- (b) YYZ Plumbing;
- (c) Devry Smith Frank LLP;
- (d) Quality Allied Elevator; and
- (e) North York Family Physicians Inc.

20. As of the date of swearing this affidavit, the Company has not received any response from 2 of the 7 Disputed Creditors:

- (a) GDI Services (Canada) LP; and
- (b) Rogers Communications Canada Inc.

21. Given GDI and Rogers' failure to respond to the Company by January 6, 2020, GDI and Rogers have forfeited their claim in the Proposal Proceedings as directed by Justice Pattillo in his December 6, 2019 Order.

22. Accordingly, only \$223,157.03 remains in dispute between the Company and the remaining Disputed Creditors.

23. As discussed in my October 18, 2018 Affidavit, I continue to maintain my multi-million dollar claim in the within proposal proceeding. I do not object to the relief sought in the within motion.

24. I am told by Andy Degan of Caruda Holdings Ltd. that Caruda Holdings Ltd. also continues to maintain its claim in the within proceeding and does not oppose the relief sought herein.

Allevio's Appeal

25. Allevio Clinic #1 Toronto Inc. o/a Allevio Inc.'s ("Allevio") claim for \$486,050.06 is also still in dispute.

26. The Proposal Trustee issued a Notice of Disallowance of Claim discontinuing the claim to the extent of \$201,903.98. Attached hereto and marked as **Exhibit "E"** is a copy of the Notice of Disallowance dated August 29, 2019.

27. Allevio has appealed the Disallowance. Attached hereto and marked as **Exhibit "F"** is a copy of Allevio's Appeal dated September 25, 2019.

28. Given that Allevio has appealed the Proposal Trustee's Notice of Disallowance, I have not included Allevio as one of the Disputed Creditors. However, Allevio's claim in the proposal proceedings remains unresolved and the Appeal remains outstanding.

29. The Company currently intends to proceed with litigating the Allevio claim in the place of the Trustee in accordance with the Proposal. The Trustee does not object. The Company contests the position of the Proposal Trustee, as it is entitled to do under the Proposal, and intends to take the position that Allevio has no valid claim in the Proposal Proceeding.

Access to the Sale Proceeds

30. In accordance with the Approval and Vesting Order, the Proposal Trustee initially held the entirety of the Sale Proceeds in trust. Since that time, the Proposal Trustee has distributed such amounts of the Sale Proceeds as were expressly approved by the Court.

31. Based on the Proposal Trustee's Ninth Report and the payments made pursuant to Justice Pattillo's December 6, 2019 Order, I believe that the Proposal Trustee remains in possession of the following of 148's funds:

- (a) \$157,808.05 – Estate/Holdback;
- (b) \$486,050.06 – Allevio Claim; and
- (c) \$319,775.19 - Disputed Creditors.

I will collectively refer to the above amounts, as well as any further or other funds that the Proposal Trustee may currently be holding in trust for 148, as the “**Holdback Funds**”.

32. 148 does not possess or control the Holdback Funds.
33. Previously, on October 31, 2018, the Company brought a motion seeking the release of all of the Sale Proceeds from the Proposal Trustee to the Company (the “**October 2018 Motion**”). I swore an affidavit on October 5, 2018 in support of that motion.
34. The October 2018 Motion was heard by Justice Hainey, who held that all Sale Proceeds, except for specific holdback amounts related to the disputed claims and other administrative purposes, should be returned to the Company.
35. Circumstances have changed substantially since the October 2018 Motion such that the Company believes that the Proposal Trustee should be required to release substantially all of the Sale Proceeds to the Company. In particular, since the October 2018 Motion:
 - (a) all undisputed claims have been paid in full; and
 - (b) all disputed claims have received a denial and the parties will proceed to adjudicate those claims.
36. I have also been told by my lawyer, David Ullmann of Blaney McMurtry, that the Proposal Trustee does not oppose the relief the Company seeks in the herein motion.
37. Further, on December 10, 2019, the Proposal Trustee provided the service list and all the disputed creditors with the Endorsement of Justice Pattillo indicating the intention of the Company

to take possession of substantially all of the Holdback Funds. Attached hereto and marked as **Exhibit “G”** is a copy of the email from counsel for the Proposal Trustee to the service list.

38. At the date of swearing this affidavit, the Company has not received any objections to that intention.

No Need for Proposal Trustee to Hold the Holdback Funds

39. To my knowledge, there is no reason why the Company should be required to have the Holdback Funds tied up with the Proposal Trustee while it litigates the remaining disputed unsecured claims, which the Company has in each case denied.

40. Since the sale of the Property, the Proposal Trustee has not had any involvement in the Company’s business operations. It has performed its function under the Proposal, including with respect to the claims bar process and the determination of claims.

41. The only remaining steps to be completed in the administration of the Company’s estate involves seeking the final determination of the Disputed Creditors’ claims.

42. I am advised by Company counsel, David Ullmann, that when companies are restructuring under the BIA and the *Companies’ Creditors Arrangement Act* they maintain control over their own funds and operations. I do not see any reason why this should not be the case with 148 Ontario.

43. As I advised the Court in my Affidavit sworn October 5, 2018, I believe the most cost-effective and straightforward way to move forward, pending approval of the Proposal by the Court, is for the Proposal Trustee to be relieved from holding the Sale Proceeds, and to allow the Company to have access to its own funds. The funds are, after all, Company funds. The Company should be entitled access to its money as it requires pending the completion of the Proposal proceedings.

44. Further, I have been advised by Blaney McMurtry LLP, Company counsel, that in the event the Company fails to perform the Proposal, the restructuring will fail.

45. I have run the Company for 17 years and have worked very hard, at significant personal expense, in order to take the Company through this restructuring. I have every intention of directing the Company to pay the proven claims under the Proposal once final determinations of the remaining disputed claims are made.

46. Given that the Company is involved in developing real estate and other transactions as previously reported in these proceedings, and is pursuing one piece of litigation (against North York Family Physician Holdings Ltd.) that I expect to generate significant funds for the Company, I would be very concerned to see the Company fall into bankruptcy.

47. In addition, I believe that the Company has plausible defences to the remaining disputed claims that makes the Company's dispute of these claims well-grounded.

48. Accordingly, 148 should not be denied the ability to control all of the Holdback Funds, other than the \$15,000 the Proposal Trustee is required to retain as a Proposal Default Fund (as defined in the Proposal), pending determination of the remaining disputed claims.

The Company's Need for Funds

49. The Company has continued in business since June 2018 and has pursued real estate opportunities and investments.

50. As I previously reported in my Affidavit sworn October 5, 2018, since the sale of the Property, the Company has rented new office space and is currently exploring new real estate investment opportunities. The Company continues to incur operating expenses such as moving expenses, fees relating to its leased premises, office supplies, IT support services, and salaries for

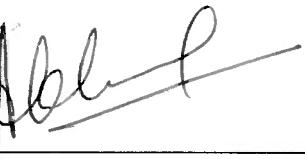
management, administrative staff and other professionals.

51. I swear this affidavit in support of 148 Ontario's motion for an Order, *inter alia*, directing the Proposal Trustee to disburse substantially all of the Holdback Funds in its possession, other than the \$15,000 the Proposal Trustee is required to retain as a Proposal Default Fund (as defined in the Proposal), to the Company, and for no other or improper purpose.

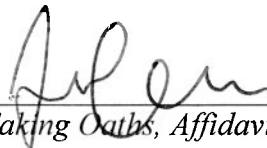
SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, this 13th
day of January, 2020.

A *Commissioner for Taking Affidavits, etc.*

Alex Fernet Brochu


ALAIN CHECROUNE

This is Exhibit "A" referred to in the Affidavit of Alain Checroune
sworn before me this 13th day of January, 2020



A Commissioner for Taking Oaths, Affidavits (or as may be) in Ontario

Alex Fernet Brochu

Court File No. 31-2303814

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY



THE HONOURABLE) FRIDAY, THE 16TH
JUSTICE HAINY)
) DAY OF MARCH, 2018

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

APPROVAL AND VESTING ORDER

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (the “**Debtor**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Proposal Trustee, as vendor pursuant to the Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made November 3, 2017 (the “**Sale Process Order**”), and 1979119 Ontario Inc. (“**197**”), as purchaser, dated February 26, 2018 (the “**Sale Agreement**”), a copy of which is attached as Confidential Appendix “4” to the Fourth Report of the Proposal Trustee dated March 7, 2018 (the “**Fourth Report**”), as such Sale Agreement is to be assigned by 197 to AZDM Inc. (the “**Purchaser**”) in accordance with the terms of the Sale Agreement, and vesting in the Purchaser the Debtor’s right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourth Report and appendices thereto, the affidavit of Alain Checroune sworn March 13, 2018 and the appendices thereto, the affidavit of Ivan Mitchell Merrow sworn March 14, 2018 and the appendices thereto, and the Supplement to the Fourth Report of the Proposal Trustee dated March 15, 2018 and the appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service of Diana Saturno and Diana McMillen sworn March 8, 2018, filed,

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

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Proposal Trustee's Certificate"), all of the Purchased Assets, including, without limitation, the Real Property (as defined herein) listed on Schedule "B" hereto, shall vest absolutely in the Purchaser or in whomever it may direct or nominate, free and clear of and from any and all assessments or reassessments, equitable interests, preferential arrangements, rights of others, notices of lease, sub-leases, licenses, judgments, debts, liabilities, certificates of pending litigation, agreements of purchase and sale, reservation contracts, leases, title retention

*Save and except for those leases
forming part of the Purchased
Assets.*



agreements, adverse claims, exceptions, reservation easements, encroachments, servitudes, restrictions on use, title, any matter capable of registration against title, options, rights of first offer or refusal or similar right, restrictions on voting (in the case of any voting or equity interest), right or pre-emption or privilege or any contract creating any of the foregoing, and any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “Claims”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Sale Process Order and any other orders of the Court in these proceedings including, without limitation, the Administration Charge, the DIP Lenders’ Charge and the Tax DIP Lenders’ Charge (as those terms are defined in the Orders of Mr. Justice Hainey dated November 3, 2017 and December 20, 2017 made in these proceedings); (ii) all charges, security interests, leases or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Land Titles Act* (Ontario), or any other personal or real property registry system; (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the “Encumbrances”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”**); and (iv) any other claims against the Debtor or any of the Purchased Assets registered or otherwise existing, potential or contingent arising out of circumstances prior to the registration of this Order (the “Additional Encumbrances”) and, for greater certainty, this Court orders that all of the Encumbrances and Additional Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser and/or whomever the Purchaser may nominate or direct as the owner(s) of the subject real property identified in **Schedule “B”** hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

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

5. **THIS COURT ORDERS** that the Proposal Trustee shall hold the Sale Proceeds in trust, pending further Order of the Court. For greater certainty, the Proposal Trustee shall not make any distributions from the Sale Proceeds except for such distributions as are expressly approved by the Court.

6. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee’s Certificate, forthwith after delivery thereof.

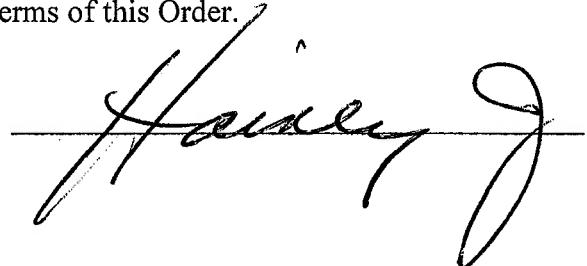
7. **THIS COURT ORDERS AND DECLARES** that no current or former tenants of the Real Property shall be entitled to withhold rental payments, set off any claim with respect to any over-payment of rent (including, without limitation, overpayment of additional rent), or claim remedies as against the Purchaser with respect to any sums that may be owing to them pursuant to their respective leases, if any, for any period prior to the Closing Date (as defined in the Sale Agreement) of the Transaction (collectively, the "**Tenant Claims**") and that the Tenant Claims shall be included as Claims subject to the provisions of paragraph 2 of this Order.

8. **THIS COURT ORDERS** that, notwithstanding:

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

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

9. **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 Proposal Trustee 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 Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

A handwritten signature in black ink, appearing to read "Hayley J.", is written over a horizontal line. The signature is fluid and cursive, with a distinct "J" at the end.

Schedule "A" – Form of Proposal Trustee's Certificate

Court File No. 31-2303814

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

- I. Pursuant to a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by 1482241 Ontario Limited (the "Debtor") on October 13, 2017, Crowe Soberman Inc. was named as the Debtor's proposal trustee (in such capacity, the "Proposal Trustee").
- II. Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "Court") made November 3, 2017 (the "Sale Process Order"), the Court approved a sale solicitation process with respect to the assets and business of the Debtor to be conducted by the Proposal Trustee.
- III. Pursuant to an Order of the Court dated <*>, 2018, the Court approved the agreement of purchase and sale between the Proposal Trustee, as vendor pursuant to the Sale Process Order, and 1979119 Ontario Inc. ("197"), as purchaser, dated February 26, 2018 (the "Sale Agreement"), as such Sale Agreement was assigned by 197 to AZDM Inc. (the "Purchaser") in accordance with the terms of the Sale Agreement, and provided for the vesting in the Purchaser

of all the right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) that the Transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE RECEIVER CERTIFIES the following:

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

CROWE SOBERMAN INC., solely in its capacity as the proposal trustee of the Debtor, and not in its personal capacity or in any other capacity

Per:

Name: Hans Rizarri

A-3

Title: Partner

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN 10088-0069 (LT)

LT 82-83 PL 7607 NORTH YORK; PT LT 84 PL 7607 NORTH YORK PT 2, RS1284;
TORONTO (N YORK), CITY OF TORONTO

SCHEDULE "C"
ENCUMBRANCES

a) **Instruments to be deleted from PIN No. 10088-0069 (LT)**

Reg. No.	Registration Date	Instrument Type	Amount	Parties From	Parties To
AT935525	2005/09/29	CHARGE	\$11,250,000	1482241 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA
AT935526	2005/09/29	NO ASSGN RENT GEN		1482241 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA
AT2418963	2010/06/21	RESTRICTION S ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	NORTH YORK FAMILY PHYSICIANS HOLDINGS INC.
AT3606967	2014/06/13	APL (GENERAL)		HUSSAINI, JAMSHID AHMADI, NEELOFAR	
AT4222577	2016/05/19	APL AMEND ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	1482241 ONTARIO LIMITED
AT4225538	2016/05/25	CERTIFICATE		ALLEVIO CLINIC #1 TORONTO INC.	
AT4236037	2016/06/02	TRANSFER OF CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	DAN REALTY LIMITED E. MANSON INVESTMENTS LIMITED COPPERSTONE INVESTMENTS LIMITED
AT4236049	2016/06/02	NO ASSGN RENT GEN		1482241 ONTARIO LIMITED	DAN REALTY LIMITED E. MANSON INVESTMENTS LIMITED COPPERSTONE INVESTMENTS LIMITED
AT4261850	2016/06/29	NO ASSGN RENT GEN		COMPUTERSHARE TRUST COMPANY OF CANADA	1482241 ONTARIO LIMITED

AT4349221	2016/09/21	CHARGE	\$1,420,000	1482241 ONTARIO LIMITED	JANODEE INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD.
AT4349222	2016/09/21	NO ASSGN RENT GEN		1482241 ONTARIO LIMITED	JANODEE INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD.
AT4350034	2016/09/22	NOTICE		1482241 ONTARIO LIMITED	JANODEE INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD.
AT4729622	2017/11/09	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	1482241 ONTARIO LIMITED

b) Other Encumbrances

(1) PPSA

	File No./Registration No.	Current Debtor	Current Secured Party	Current Collateral Classification	Current General Collateral Description and other Particulars
1.	717145821/ 20160531 1146 1862 7560 20160531 1235 1862 7580	1482241 Ontario Limited	Dan Realty Corporation 1120 Finch Avenue West Suite 100 Toronto, ON M3J 3H7 E. Manson Investments Limited 620 Wilson Avenue, Suite 401 Toronto, ON M5N 1S4 Copperstone Investments Limited 620 Wilson Avenue, Suite 401 Toronto, ON M5N 1S4	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	<p>Expiry Date: May 31, 2019</p> <p>An amendment was registered on May 31, 2016 to amend the address of the debtor.</p>
2.	697416678/ 20140625 1012 1862 4827	1482241 Ontario Limited	Mann Engineering Ltd. 101 - 150 Bridgeland Avenue Toronto, ON M6A 1Z5	Inventory, Equipment, Accounts, Other No Fixed Maturity Date	<p>Expiry Date: June 25, 2019</p> <p><u>General Collateral Description:</u> General security agreement</p>

(2) Writs of Execution

Execution No.	Debtor Name
15-0007457* in favour of Devry Smith Frank LLP	1482241 Ontario Limited Alain Checroune A. Checroune Realty Corporation

* writ of execution registered at land titles

(3) Judgments

	Case Number	Case Opened Date	Case Status	Plaintiff/Appellant	Defendant/Respondent	Case Type	Amount	Last Event Result Information
1.	CV04CV2799 730000	December 1, 2004	Inactive	Omni Facility Services Canada Corp.	1482241 Ontario Limited 1428203 Ontario Limited Checroune, Alaine	Contract law	500.01	April 26, 2005 - Motion - Dismiss Action
2.	CV05CV2816 110000	January 5, 2005	Inactive	Cvitak, Katica Cvitak, Lilly Cvitak, Slavik Cvitak, Steve	1482241 Ontario Ltd. Chechroune, Alain Truserve Groundscare Inc.	Other	500.01	May 2, 2008 - Order Dismissing Action No SCFiled
3.	CV06CV3231 050000	November 28, 2006	Inactive	4047257 Canada Inc.	1482241 Ontario Limited	Real Property (incl. Leases; excl mortgage/charge)	500.01	May 31, 2007 - Order - Dismissing Action
4.	CV07CV3283 000000	February 23, 2007	Active	4047257 Canada Inc.	1482241 Ontario Limited	Contract Law	N/A	February 28, 2007 - Case conference
5.	CV10003991 110000	March 15, 2010	Inactive	DTZ Barnicke Limited (formerly JJ Barnicke Limited)	1482241 Ontario Limited	Contract Law	94,000.00	June 27, 2011 - Order case dismissed (on

C-4

	Case Number	Case Opened Date	Case Status	Plaintiff/Appellant	Defendant/Respondent	Case Type	Amount	Last Event Result Information
								consent)
6.	CV10004010730000	April 14, 2010	Inactive	North York Family Health Team Inc.	1482241 Ontario Limited	Real Property (incl. Leases, excl mortgage/charge)	0	November 29, 2012 - Order case dismissed
7.	CV10004030670000	May 13, 2010	Inactive	North York Family Physicians Holdings Inc.	1482241 Ontario Limited	Real Property (incl. Leases, excl mortgage/charge)	0	March 22, 2011 - Judgment
8.	CV10004103300000	Sept. 13, 2010	Active	7063580 Canada Inc.	1482241 Ontario Limited	Construction Lien NN	43,223.50	September 20, 2016 - Motion (unopposed consent)
9.	CV10004163530000	December 13, 2010	Inactive	Constellation NewEnergy Canada Inc.	1482241 Ontario Limited	Contract law	439,109.51	May 9, 2016 - order case dismissed
10.	CV10004165170000	December 15, 2010	Active	2144688 Ontario Ltd.	1482241 Ontario Limited	Contract law	1.00	January 3, 2018 - motion on notice January 3, 2018 - order
11.	CV12004625420000	August 30, 2012	Active	North York Family Physicians Holdings Inc.	1482241 Ontario Limited	Real Property (incl. Leases; excl. mortgage/charge)	0	January 3, 2018 - Motion on notice January 3, 2018 - Order
12.	CV14005063050000	June 13, 2014	Active	Homelife Dreams Realty Inc.	1482241 Ontario Limited	Real Property (incl. Leases; excl.	5.00	January 3, 2018 - Motion on

	Case Number	Case Opened Date	Case Status	Plaintiff/Appellant	Defendant/Respondent	Case Type	Amount	Last Event Result Information
				Ahmadi, Neelofar Hussaini, Jamshid	Checroune, Alain	mortgage/charge)		notice January 3, 2018 - order
13.	CV14005129 060000	September 26, 2014	Inactive	Mann Engineering Ltd.	1482241 Ontario Limited	Construction lien NN	0	September 26, 2016 - order
14.	CV15005258 090000	April 10, 2015	Active	Allevio Inc.	1482241 Ontario Limited	Real Property (incl. Leases, excl. mortgage/charge)	0	April 13, 2015 - case conference
15.	CV15005295 200000	June 3, 2015	Active	Yoo, Chang-Soon	1482241 Ontario Limited Husky Landscaping Services Inc. North York Family Physicians Holdings Inc.	Contract Law	800,000.00	June 8, 2017 - Order
16.	CV15005309 730000	June 23, 2015	Inactive	Hudson Energy Canada Corp.	1482241 Ontario Limited	Collection of liquidated debt	137,179.00	April 24, 2017 - Order case dismissed (on consent)
17.	CV15005334 110000	July 30, 2015	Active	Devry Smith Frank LLP	1482241 Ontario Limited A. Checroune Realty Corporation Checroune, Alain	Solicitors Act (solicitor/client assessment) NN	0	January 25, 2016 - Preliminary Assessment Appointment (Tor SCJ only)
18.	CV15005377 080000	October 2, 2015	Active	Allevio Clinic #1 Toronto Inc. O/A Allevio Pain Management	1482241 Ontario Limited Checroune, Alan	Real Property (incl. Leases, excl. mortgage/charge)	11,000,000.00	January 3, 2018 - motion on notice

C-6

	Case Number	Case Opened Date	Case Status	Plaintiff/Appellant	Defendant/Respondent	Case Type	Amount	Last Event Result Information
						e)		January 3, 2018 - Order
19.	CV15005400 640000	November 9, 2015	Inactive	Holesh, Sharron	1482241 Ontario Limited Husky Landscaping Service Inc.	Tort personal injury (other than from MVA)	100,000.00	December 2, 2016 - Order case dismissed (on consent)
20.	CV16005471 020000	February 22, 2016	Inactive	Hudson Energy Canada Corp.	1482241 Ontario Limited	Collection of liquidated debt	137,179.74	April 24, 2017 - Order case dismissed (on consent)
21.	CV16005532 830000	May 20, 2016	Inactive	Royal Bank of Canada	1482241 Ontario Limited 2144688 Ontario Ltd. 7063580 Canada Inc. Allevio Clinic #1 Toronto Inc. o/a Allevio Pain Management Mann Engineering Ltd. Ahmadi, Neelofar Checroune, Alain Hussaini, Jamshid YYZ Plumbing Inc.	Real Property (incl. Leases, excl. mortgage/charge)	0	N/A
22.	CV16005604 100000	September 13, 2016	Inactive	Himelfarb Proszanski	1482241 Ontario Limited Checroune, Alain	Contract Law	55,438.00	October 26, 2016 - Order case dismissed (on consent)

	Case Number	Case Opened Date	Case Status	Plaintiff/Appellant	Defendant/Respondent	Case Type	Amount	Last Event Result Information
23.	CV16005608 150000	September 20, 2016	Active	YYZ Plumbing Inc.	1482241 Ontario Limited	Construction lien NN	0	September 20, 2016 - Motion (unopposed consent)
24.	CV18005900 390000	January 15, 2018	Active	Steinberg, Daniel	1482241 Ontario Limited Husky Landscaping	Tort personal injury (other than from MVA)	150,000.00	N/A
25.	CV18005916 750000	February 7, 2018	Active	Gowling WLG (Canada) LLP	1482241 Ontario Limited	Solicitors Act (solicitor/client assessment) NN	0	July 16, 2018 - Preliminary Assessment Appointment (Tor SCJ only)

(4) Other Interests:

- (a) All outstanding municipal taxes, fines, interest and penalties.
- (b) Trust Declaration dated September 21, 2005 between 1482241 Ontario Limited and Alain Checroune
- (c) Agreement of Purchase and Sale dated June 6, 2012 between Jamshid Hussaini and Neelofar Ahmadi, and Alain Checroune, as amended by an Amendment to Agreement dated June 18, 2012
- (d) Amended Trust Declaration dated June 22, 2012 between 1482241 Ontario Limited, Alain Checroune, Jamshid Hussaini and Neelofar Ahmadi
- (e) Order of Justice Whitaker dated October 27, 2014 in the proceedings having Court File No. CV-14-506305.
- (f) Agreement of Purchase and Sale dated August 24, 2017 between Torgan Properties Inc and 1482241 Ontario Limited.

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

a) **Assumed Encumbrances from PIN 10088-0069 (LT)**

Reg. No.	Registration Date	Instrument Type	Parties From	Parties To
NY522733Z	1967/10/20	REST COV APPL ANNEX		
NY579166	1970/07/20	BYLAW EX PART LOT		
RS1284	1970/11/17	PLAN REFERENCE		
64BA1088	1977/11/10	PLAN BOUNDRIES ACT		
AT2448796	2010/07/16	NOTICE OF LEASE	NORTH YORK FAMILY PHYSICIANS HOLDINGS INC.	NORTH YORK FAMILY PHYSICIANS HOLDINGS INC.

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

AIRD & BERLIS LLP

Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

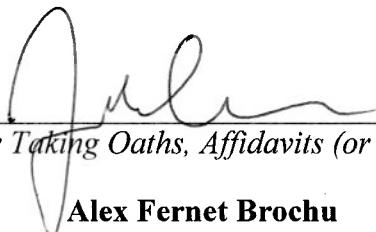
Steven L. Graff (LSUC # 31871V)

Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Miranda Spence (LSUC # 60621M)

Tel: (416) 865-3414
Fax: (416) 863-1515
Email: mspence@airdberlis.com

This is Exhibit "B" referred to in the Affidavit of Alain Checroune
sworn before me this 13th day of January, 2020

A handwritten signature in black ink, appearing to read "Alex Fernet Brochu".

A Commissioner for Taking Oaths, Affidavits (or as may be) in Ontario

Alex Fernet Brochu

Court File No. 31-2107857

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY
OF TORONTO, IN THE PROVINCE OF ONTARIO

PROPOSAL OF 1482241 ONTARIO LIMITED ("148")

148 hereby submits the following Proposal to all of its Unsecured Creditors pursuant to Part III of the *Bankruptcy and Insolvency Act* (Canada).

ARTICLE 1

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) **"Administrative Charge"** means the Administrative Charge created by the Charging Order;
- (b) **"Administrative Fees and Expenses"** means the fees, expenses and legal fees and disbursements of the Trustee, and the Debtor incurred in relation to the Notice of Intention to File Proposal proceedings and in respect of on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (c) **"Approval Date"** is the date upon which the Approval Order is granted;
- (d) **"Approval Order"** means an order of the Court approving the Proposal;
- (e) **"Avison Young Recovery"** means such amounts as Avison Young may be required to reimburse to 148 related to rental amounts received by Avison Young during its period as manager of the building;
- (f) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and in force as at the Date of Filing;

- (g) **“Business Day”** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (h) **“Canada Pension Plan”** means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (i) **“Charging Order”** means the Order of Justice Hainey in these proceedings dated November 3, 2017 under which the Administrative Charge and the DIP Charge was created;
- (j) **“Claim”** means any right of any Person against the Debtor in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of the Implementation Date including, without limitation any, claims that would have been claims provable in bankruptcy had the Debtor become bankrupt on the Date of Filing, including, without limitation any claims for unpaid services which arose after the Date of Filing other than those services in respect of which an administrative charge has been granted in these proposal proceedings;
- (k) **“Collateral”**, in respect of a Secured Creditor, means the assets and property of the Debtor in which the Secured Creditor holds a valid and enforceable security interest;
- (l) **“Company”** shall mean the Debtor;
- (m) **“Court”** means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);
- (n) **“Creditor”** means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (o) **“Creditors’ Meeting”** means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (p) **“Creditors’ Meeting Date”** means such date and time as may be called by the Trustee, but in any event shall be no later than twenty-one (21) days following the Date of the Proposal;
- (q) **“Date of Filing”** means October 13, 2017, the date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver;
- (r) **“Date of the Proposal”** means April 12, 2018, the date that the Proposal was lodged with the Trustee;

- (s) **“Debtor”** means 148;
- (t) **“DIP Charge”** shall mean the charge in favour of the DIP Lender as set out in the Charging Order;
- (u) **“DIP Lender”** shall mean Caruda Holdings Ltd.
- (v) **“DIP Remainder”** means the claim of DIP Lender against the Company, any amount not covered by the DIP Charge for any reason;
- (w) **“Employment Insurance Act”** means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (x) **“Excluded Claim”** any claim by any party who is the beneficiary of any charge created in the Charging Order, including the DIP Charge;
- (y) **“Implementation Date”** means the date upon which the conditions set forth in Article 7.4 have been satisfied;
- (z) **“Income Tax Act”** means *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (aa) **“Inspectors”** means one or more inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (bb) **“Official Receiver”** shall have the meaning ascribed thereto in the BIA;
- (cc) **“Ordinary Creditors”** means Creditors with Proven Claims, except for those Claims:
 - (i) that the Trustee determines not to be a provable claim in accordance with Section 135 (1.1) of the BIA;
 - (ii) that have been finally and conclusively disallowed in accordance with the BIA;
 - (iii) that are Claims by Preferred Creditors;
 - (iv) that are Claims by a Related Party;
 - (v) that are Claims by a Secured Creditor; or
 - (vi) that are Claims in respect of an Equity Interest.
- (dd) **“Performance”** means full performance of this Proposal as set out in Article 6 paragraph 6.1 hereof;
- (ee) **“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted, including, without limitation, Canada Revenue Agency;
- (ff) **“Postponed Related Party Claims”** means those Claims of the Related Parties which will be postponed by the Related Parties as will be communicated at the Creditors’ Meeting and finalized on or before the Implementation Date.

(gg) **“Preferred Creditors”** means Creditors with Proven Claims that are proven and which are required by the BIA to be paid in priority to all other Claims under a proposal made by a debtor and including, without limitation:

- (i) employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(l)(d) of the BIA if the Debtor became bankrupt on the Date of Filing, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period; and
- (ii) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the time of the filing of the notice of intention or of the Date of Filing and are of a kind that could be subject to a demand under,
 - (a) subsection 224(1.2) of the Income Tax Act;
 - (b) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
 - (ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection.

(hh) **“Proof of Claim”** shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;

(ii) **“Proposal”** means the Proposal lodged with the Trustee on April 11, 2018, together with any amendments or additions thereto;

- (jj) **“Proposal Fund”** shall mean an amount equal to 100% of the Proven Claims (including any Proven Claim by a Related Party) to a maximum of \$6.7 million, which will be paid by the Proposal Trustee on behalf of the Debtor from the Sale Proceeds, plus any amount realized from the Avison Young Recovery on the Implementation Date.
- (kk) **“Proven Claim”** of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (ll) **“Related Party”** means Alain Checroune, Alain Checroune Realty Inc., Caruda Holdings Ltd. and any Creditor related to the Debtor within the meaning of Section 4 of the BIA;
- (mm) **“Sale Proceeds”** are the unencumbered proceeds held by the Proposal Trustee from the sale of the property known municipally at 240 Duncan Mills Road, which property was sold on March 29th, 2018 in accordance with the Approval and Vesting Order of Justice Hainey dated March 16, 2018;
- (nn) **“Secured Creditor”** means any creditor holding a valid and perfected security interest against the Debtor;
- (oo) **“Trustee”** means Crowe Soberman Inc., or its duly appointed successor or successors;
- (pp) **“Unsecured Creditors”** means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (qq) **“Voting Letter”** shall mean the voting letter required by subsection 51(1) of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors’ Meeting.

1.2 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In this Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada, or in accordance with the Superintendent of Bankruptcy Directive #9R3.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2**CLASSIFICATION OF CREDITORS****2.1 Classes of Creditors**

For the purposes of voting on the Proposal, only Unsecured Creditors will be entitled to vote on the Proposal. There shall be one class of Unsecured Creditors.

ARTICLE 3**TREATMENT OF CREDITORS****3.1 Secured Creditors**

Secured Creditors shall be paid in accordance with the respective agreement(s) between each Secured Creditor and the Debtor or as otherwise agreed between said Secured Creditor and the Debtor. To the extent that there is insufficient Collateral to repay the secured indebtedness, the Secured Creditor will file the balance of its claim as an Unsecured Creditor and participate in this Proposal as same.

3.2 Preferred Creditors

The Proven Claims of the Preferred Creditors are to be paid by the Trustee in full in priority to all the Proven Claims of Ordinary Creditors in accordance with the BIA and the Proposal.

3.3 Ordinary Creditors

The Ordinary Creditors with Proven Claims (including the Proven Claims of Related Parties) will be paid 100% of their Proven Claims from the Proposal Fund to a maximum of \$6.7 million, once the claims of Preferred Creditors are satisfied as provided for in this Proposal.

3.4 Related Parties

The Related Parties will advise the Proposal Trustee and the Creditors of the Claims they intend to postpone at the Creditors' Meeting. The Postponed Related Party Claims will not be paid or compromised in the Proposal.

The Related Party Claims which are not identified as Postponed Related Party Claims will be paid from the Proposal Fund as a Proven Claim on the same basis as the Proven Claims of the other Ordinary Claims as set out in 3.2 above.

3.5 Claims Against Directors

Any Claims against the Debtor by any Creditor that are also Claims against the directors of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, and upon Court approval of this Proposal, are hereby, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor upon acceptance of this Proposal by the Creditors and approval by the Court.

ARTICLE 4

PROCEDURE FOR VALIDATION OF CLAIMS

4.1 Filing of Proofs of Claim

Each Creditor must file a Proof of Claim as required by the BIA to vote on, or receive a distribution under, the Proposal.

4.2 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the BIA. The procedure for valuing Claims of the Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA. In the event of any contingent claim against the Company arising out of existing litigation against the Company, the Proposal Trustee shall allow the Company and its counsel to defend such Claims, with input from the Proposal Trustee. The Company and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Creditor under the Proposal, as the case may be.

4.3 Claims Bar Process

Forthwith after the Implementation Date, the Trustee shall give notice pursuant to s.149 of the BIA to every person with a claim the Trustee has notice or knowledge but whose claim has been filed or proved that if such person does not prove his claim within a period of thirty (30) days after the mailing of the notice ("Claims Bar Date"), the Trustee will proceed to declare a final dividend without regard to such person's claim; the dividend referred to in said notice shall be deemed a final dividend and any person so notified who does not provide his claim within the said thirty (30) days shall be barred from making a claim in this Proposal or sharing in any dividend hereunder, subject to any exceptions set out in Sections 149(2)(3) and (4) of the BIA.

ARTICLE 5

MEETING OF CREDITORS

5.1 Unsecured Creditors' Meeting

On the Creditors' Meeting Date, the Trustee shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

5.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in its notice of meeting to be mailed pursuant to the BIA. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the BIA and any Order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

5.3 Conduct of Meetings

The Proposal Trustee shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors, and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

5.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with Section 52 of the BIA.

5.5 Voting by Creditors

To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to that Creditor's Proven Claim. Any Proof of Claim in respect of a Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with Section 108(3) of the BIA and may be valued by the Trustee at the meeting and voted in that amount.

5.6 Approval by Creditors

In order that the Proposal be binding on all of the Unsecured Creditors of the Debtor in accordance with the BIA, it must first be accepted by the Unsecured Creditors as prescribed by this Proposal by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

ARTICLE 6

DISTRIBUTION OF PROCEEDS

6.1 Implementation of Proposal

- (a) After the Approval of the Proposal but prior to the Implementation Date, the Proposal Trustee shall pay any outstanding Administrative Fees and Expenses in full from the Sale Proceeds. In the event of any dispute as to the amount of such fees, the Proposal Trustee shall make a motion to the Court for approval and payment of said fees.
- (b) On the Business Day that is 10 Business Days after the Claims Bar Date or after the Payment of the Administrative Fees and Expenses, whichever is later, the Proposal Trustee, on behalf of the Debtor, will distribute their *pro rata* share of the Proposal Fund provided that no Affected Creditor shall be entitled to receive more than 100% of that Unsecured Creditor's Proven Claim.

Upon payment of the Proposal Proceeds to the Trustee, the Debtor's obligation under the Proposal shall be fully performed and the Trustee shall issue a certification of full performance to the Debtor in accordance with section s.65.3 of the BIA. Payments to each Preferred and Ordinary Creditor shall be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA.

6.2 Payment of Administrative Fees and Expenses

Administrative Fees and Expenses of the Proposal Trustee include that of the Proposal Trustee's legal counsel's fees and disbursements, incurred at the standard rates and charges of the Proposal Trustee or its legal counsel.

Administrative Fees and Expenses shall be paid pursuant to section 60(2) of the Act. The Proposal Trustee shall be at liberty from time to time to apply reasonable amounts, out of the monies paid in the Proposal pursuant to Section 5, against its Administrative Fees and Expenses, and such amounts shall constitute advances against the Administrative Fees and Expenses when and as approved by the Court.

Notwithstanding the above, should the Proposal Trustee be required to perform work beyond that normally associated with a Proposal of this type, it shall be at liberty to seek creditors' approval for such incremental fees and disbursements as may be incurred.

If the Debtor should default on payment of the proposal amount in Section 5 hereof, the Trustee may, in absolute priority, call upon all funds accumulated in the Proposal to satisfy its proper Administrative Fees and Expenses.

6.3 Distribution to Preferred Creditors

The Preferred Creditors shall be paid in full the amount of the Proven Claim out of the Proposal Proceeds.

6.4 Distribution to Ordinary Creditors

The Ordinary Creditors with Proven Claims shall be paid their *pro rata* share of the remaining Proposal Fund, following payment of the Claims as described in paragraph 6.1, based on the proportion which the Proven Claim of such Ordinary Creditor bears to the aggregate amount of the Proven Claims of all Ordinary Creditors.

6.5 Operating Expenses

The Proposal Trustee shall fund the operating expenses of the Debtor from the Sale Proceeds up to an amount of \$200,000 per month pending the Implementation Date.

6.6 Proposal Default Fund

From the Proposal Fund, and prior to any distributions to any creditors in the administration, an amount of \$15,000 will be retained by the Trustee ("Proposal Default Fund"). The sole purpose of the Proposal Default Fund will be to fund an application to annul the Proposal in the event of default, which has not been remedied by the Debtor. Despite, a Certificate of Full Performance being issued to the Debtor, this provision of this Proposal will apply and the Proposal Default Fund will remain unavailable for distribution to the creditors in the estate until all the payments required under this Proposal have been made.

6.7 Discharge of Trustee

Upon payment by the Trustee of the amounts contemplated in this Article 6, the Trustee shall have discharged its duties as Trustee, the Trustee's obligation under its Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default. In the event the Proposal Fund is found to be greater than the amount necessary to pay the Proven Claims in full, the balance of the Proposal Fund shall be returned to the Sale Proceeds.

ARTICLE 7

MISCELLANEOUS

7.1 Compromise Effective for all Purposes

The distributions contemplated hereunder will be binding upon each Creditor, other than Secured Creditors, a Creditor holding an Excluded Claim and Related Party Creditors holding a

Postponed Related Party Claim, their heirs, executors, administrators, successors and assigns, for all purposes.

7.2 Modification of Proposal

The Debtor or any Unsecured Creditor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

7.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Creditor, other than Secured Creditors and Related Party Creditors holding a Postponed Related Party Claim, their heirs, will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

7.4 Conditions Precedent to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) acceptance of the Proposal by the Unsecured Creditors; and
- (b) payment of the Adminstrative Fees and Expenses in accordance with paragraph 6.1(a);

- (c) approval of the Proposal by the Court pursuant to a final Order and the expiry of ten (10) day appeal period under the BIA with no appeal having been filed within said ten (10) day period; and
- (d) payment by the Proposal Trustee of the Proposal Funds from the Sale Proceeds

7.5 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Creditors, other than Secured Creditors and Related Party Creditors holding a Postponed Related Party Claim, their heirs, (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of such Claims. Sections 95 to 101 of the BIA shall not apply.

7.6 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proofs of Claim which may only be sent by personal delivery, telecopier or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

1482241 Ontario Inc.

Attention: Mr. Alain Checroune

- (b) if to an Unsecured Creditor, to the address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

- (c) if to the Trustee:

Crowe Soberman LLP.
2 St. Clair Avenue East, Suite 1100
Toronto ON, M4T 2T5
Attention: Hans Rizarri

Telephone: 416-963-7175
Facsimile: (416) 929-2555
Email: hans.rizarri@crowesoberman.com

or to such other address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and

communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

7.7 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Date of Filing.

7.8 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7.9 Non Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect

7.10 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

DATED at the City of Toronto, in the Province of Ontario, this _____ day of April, 2018

1482241 ONTARIO INC.

Per: _____

Alain Checquene

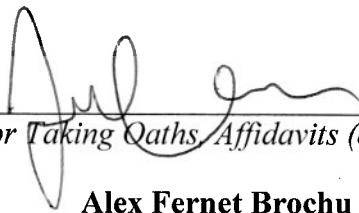
Court File No.: 31-2303814

IN THE MATTER OF THE PROPOSAL OF
1482241 ONTARIO INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)**
(PROCEEDING COMMENCED AT TORONTO)

PROPOSAL

This is Exhibit "C" referred to in the Affidavit of Alain Checroune
sworn before me this 13th day of January, 2020



A Commissioner for Taking Oaths, Affidavits (or as may be) in Ontario

Alex Fernet Brochu

Court File No. 31-2303814

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) TUESDAY, THE 12TH
)
JUSTICE HAINES) DAY OF JUNE, 2018
)

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

ORDER re PROPOSAL APPROVAL

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (the “**Debtor**”), for an order, *inter alia*, (a) approving the fifth report of the Proposal Trustee dated April 13, 2018 (the “**Fifth Report**”) and the activities of the Proposal Trustee described therein; (b) approving the sixth report of the Proposal Trustee dated May 31, 2018 (the “**Sixth Report**”) and the activities of the Proposal Trustee described therein; (c) approving the Company’s proposal dated April 13, 2018, as amended on May 3, 2018 (the “**Proposal**”); (d) establishing a dispute resolution process for any objections raised by the Debtor relating to claims filed in the proposal; and (e) approving the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s counsel, and the Debtor’s counsel, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Sixth Report of the Proposal Trustee dated May 31, 2018 (the “**Sixth Report**”) and the appendices thereto, the fee affidavit of Hans Rizarri sworn May 29, 2018 (the “**Rizarri Affidavit**”), the fee affidavit of Ian Aversa sworn May 31, 2018 (the “**Aversa**

Affidavit”), and the affidavit of Alain Checroune sworn June 8, 2018, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Miranda Spence sworn June 1, 2018, filed,

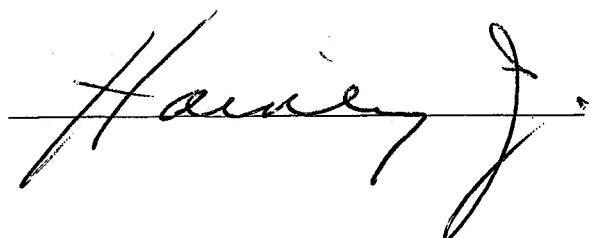
1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Fifth Report and the activities of the Proposal Trustee described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Sixth Report and the activities of the Proposal Trustee described therein be and are hereby approved.
4. **THIS COURT ORDERS** that the Amended Proposal be and is hereby approved.
5. **THIS COURT ORDERS** that any objections raised by the Company to claims filed by creditors shall be addressed as follows:
 - (a) the Proposal Trustee will make an initial determination as to whether a claim ought to be admitted or disallowed, and will advise the Company of its determination in this regard;
 - (b) the Company will communicate any objection to the admitted claims to the Proposal Trustee, in writing, including the basis for the objection, within seven days of the issuance of the Proposal Trustee’s decision in paragraph (a) above;

- (c) the Proposal Trustee will consider the objection raised by the Company, and will advise the Company and the relevant creditor of its determination of the claim having regard for the Company's objection;
- (d) if the Proposal Trustee admits a claim after having reviewed the Company's objection, the Company may seek to have its objection adjudicated on motion to the Court upon posting, with counsel for the Proposal Trustee, security for costs sufficient to cover the relevant creditor's substantial indemnity costs associated with the objection proceeding; and *GH*
- (e) the Proposal Trustee will work with the Company to schedule any objection motions, with the goal of minimizing the number of Court attendances required to address any such motions.

6. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee as described in the Sixth Report and as set out in the Rizarri Affidavit, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.

7. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's counsel as described in the Sixth Report and as set out in the Aversa Affidavit, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.

8. **THIS COURT ORDERS** that the fees and disbursements of the Debtor's counsel in the sum of \$75,562.61, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.



IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

ORDER re PROPOSAL APPROVAL

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Miranda Spence (LSUC # 60621M)
Tel: (416) 865-3414
Fax: (416) 863-1515
Email: mspence@airdberlis.com

32760322.1

June 12, 2018

Crown Solerman's Motion
is passed on the terms
of the attached Order
re Proposal Approval.
For greater certainty
The Proposal Trustee
shall receive the
debtor's operating expenses
before making any payments
pursuant to s. 6.5 of the
proposal.

Mr. Allman's Motion is
adjourned to a date to be set
with the Commercial Trial
Officer.

1 day judicial deadline set for
July 30/18 with respect to Mr. Mills'
Motion. 2 hours set aside for the
Counsel 20/18 for Ms. Fox's Motion.

This is Exhibit "D" referred to in the Affidavit of Alain Checroune
sworn before me this 13th day of January, 2020

A Commissioner for Taking Oaths, Affidavits (or as may be) in Ontario

Alex Fernet Brochu

COUNSEL SLIP

COURT FILE
NO.: BK-17-02303814-0031

DATE: 06-DEC-2019

NO. ON LIST 12

TITLE OF
PROCEEDING 1482241 ONTARIO LIMITED and FASKEN MARTINEAU DUMOULIN LLP et al.

COUNSEL FOR:

- PLAINTIFF(S)
- APPLICANT(S)
- PETITIONER(S)

D. Ullmann for 148

PHONE 416 596-4289
FAX 416 593-2437
EMAIL Dullmann@Riley.com

COUNSEL FOR:

- DEFENDANT(S)
- RESPONDENT(S)

Miranda Spence for Proposal Trustee PHONE 416-865-3414
FAX 416-863-1515
EMAIL mspence@airberlin.ca

JUDICIAL NOTES:

Dec. 6, 2019

dk
Based on the material filed and submissions of counsel, the Ninth Report is approved as is the proposed distribution of funds and the fees of the proposal trustee and its counsel. It also approve the proposed claims process set out in Paragraph 17 of the Report subject to the parties considering using a claims officer, appt. by the court, to adjudicate any of the claims that can't be resolved.

Further scheduling of the claims process as well as the debtor's motion to have the balance of the proceeds transferred to it for the balance of the administration set for January 17, 2020 (1/2 hour). (confirmed).

PD
Attillo, J.

Court File No. 31-2303814

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE *MR.*

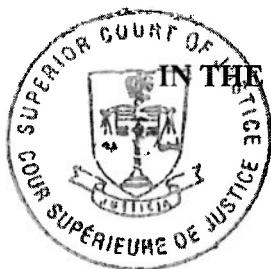
)

FRIDAY, THE 6TH

JUSTICE *PAPILLIO*

)
)

DAY OF DECEMBER, 2019



**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (the “**Debtor**”), for an order, *inter alia*, (a) approving the ninth report of the Proposal Trustee dated December 2, 2019 (the “**Ninth Report**”) and the activities of the Proposal Trustee described therein; (b) approving a process to address the Debtor’s objections to certain of the claims filed in the proceeding, as set out in the Ninth Report; and (c) approving the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s counsel, and the Debtor’s counsel, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Ninth Report and the appendices thereto, the fee affidavit of Hans Rizarri sworn December 2, 2019 (the “**Rizarri Affidavit**”), and the fee affidavit of Ian Aversa sworn December 2, 2019 (the “**Aversa Affidavit**”), and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one

appearing for any other person on the service list, although properly served as appears from the affidavit of service of Miranda Spence sworn December 3, 2019, filed,

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the 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 Ninth Report and the activities of the Proposal Trustee described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Proposal Trustee is hereby authorized to make the following distributions to creditors from the Sale Proceeds, without further Order of the Court:
 - (a) the sum of \$199,934.53 to Toronto Hydro;
 - (b) the sum of \$26,375.57 to Canada Revenue Agency;
 - (c) the sum of \$3,197.25 to the City of Toronto; and
 - (d) such further and other amounts as may be agreed to, in writing, by each of the Proposal Trustee, the Debtor and the applicable creditor.
4. **THIS COURTS ORDERS** that the Proposal Trustee is hereby authorized to make a distribution from the Sale Proceeds to the Debtor, in the sum of \$350,000.
5. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee as described in the Ninth Report and as set out in the Rizarri Affidavit, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.

6. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's counsel as described in the Ninth Report and as set out in the Aversa Affidavit, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.

7. **THIS COURT ORDERS** that the fees and disbursements of the Debtor's counsel as described in the Ninth Report, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.

8. THIS COURT ORDERS that the process for the adjudication of the Disputed Creditors' claims set out at paragraph 17 of the Ninth Report be and is hereby approved.

9. This Court Orders that further scheduling of the claims process set for January 17, 2020 (1/2 hour).

DD
R. Sartillo, Jr.

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

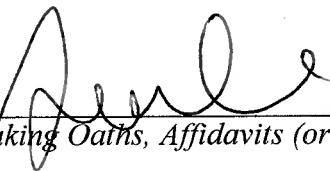
ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Miranda Spence (LSUC # 60621M)
Tel: (416) 865-3414
Fax: (416) 863-1515
Email: mspence@airdberlis.com

This is Exhibit "E" referred to in the Affidavit of Alain Checroune
sworn before me this 13th day of January, 2020



A Commissioner for Taking Oaths, Affidavits (or as may be) in Ontario

Alex Fernet Brochu

Crowe Soberman™

Crowe Soberman Inc.
Licensed Insolvency Trustee
Member Crowe Horwath International

2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5
416.929.2500 Tel.
416.929.2555 Fax
1.877.929.2501 Toll Free
www.crowesobermaninc.com

District of Ontario
Division No. 9
Court No. 31-2303814
Estate No. 31-2303814

NOTICE OF DISALLOWANCE OF CLAIM, RIGHT TO PRIORITY OR SECURITY (Subsection 133(3))

In the matter of the proposal of
1482241 ONTARIO LIMITED
of the City of Toronto
in the Province of Ontario

TAKE NOTICE THAT, as Trustee of the above estate, we have disallowed your claim against the estate to the extent of \$201,903.98 for the following reasons:

- Part 3 of the summary of the total claim, advanced a claim in the amount of \$153,066.31 as it related to damages that arose from a flood that occurred in February 2015. The Trustee was only provided supporting documentation for approximately \$53,820.29 of that claim, and accordingly the Trustee has disallowed the sum of \$99,246.02;
- Part 5 of the summary of the total claim, advanced a claim in the amount of \$82,448.30 as it related to lost profits due to a breach of the right of first refusal clause. This claim is a contingent claim which is subject to a lawsuit that has not yet been determined;
- Part 6 of the summary of the total claim, advanced a claim in the amount of \$50,977.40 for legal and professional fees. The Trustee has decided to allow the claim on a partial indemnity basis in the amount of \$31,371.40, and accordingly the Trustee has disallowed the sum of \$19,606.00; and
- no judgment against the Debtor has been obtained.

AND FURTHER TAKE NOTICE THAT if you are dissatisfied with our decision in disallowing your claim in whole or in part, you may appeal to the Court within the 30 day period after the day on which this notice is served or sent, or within such further period as the Court may, on application made within the same 30 day period, allow.

Dated at the City of Toronto, in the Province of Ontario, this August 29th, 2019.

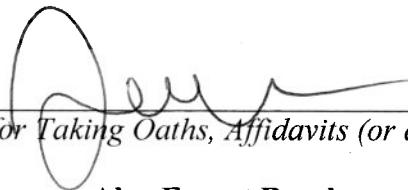
CROWE SOBERMAN INC.,
Licensed Insolvency Trustee
Trustee acting in re: the Proposal of
1482241 ONTARIO LIMITED



TO:
Allevio #1 Clinic Toronto Inc.
c/o Clyde & Co Canada LLP
Attn: Jamie Spotswood
2500-401 Bay St
Toronto, Ontario
M5H 2Y4

REGISTERED & ORDINARY MAIL & E-MAIL

This is Exhibit "F" referred to in the Affidavit of Alain Checroune
sworn before me this 13th day of January, 2020



A Commissioner for Taking Oaths, Affidavits (or as may be) in Ontario

Alex Fernet Brochu

CLYDE&Co

Clyde & Co Canada LLP

FAX TRANSMISSION

401 Bay Street
Suite 2500
Toronto, Ontario
M5H 2Y4

Tel.: (416) 366-4555
Fax: (416) 366-6110

www.clydeco.ca

Date:	September 25, 2019
Pages transmitted (including cover):	7
From:	Jamie Spotswood
Our File:	1536401

Addressee	Company	Facsimile No.
Miranda Spence	Aird Berlis LLP	(416) 863-1515

IF YOU HAVE NOT RECEIVED THE TOTAL NUMBER OF PAGES OR NEED ASSISTANCE, PLEASE CALL (416) 366-4555

Confidentiality Note

This communication sent by fax is confidential, may be privileged and is intended for the exclusive use of the addressee. Any other person is strictly prohibited from disclosing, distributing or reproducing it. If the addressee cannot be reached or is unknown to you, please inform us immediately by telephone (416) 366-4555 at our expense and return this communication by mail to the address above.

Thank you.

CLYDE&CO

Clyde & Co Canada LLP

401 Bay Street
Suite 2500, P.O. Box 26
Toronto, Ontario
M5H 2Y4

Tel.: (416) 366-4555
Fax.: (416) 366-6110

www.clydeco.ca

Direct Line: 647-789-4830
E-mail: jamie.spotswood@clydeco.ca

September 25, 2019

VIA FAX

Miranda Spence
Aird Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Dear Ms. Spence:

Re: The Matter of the Proposal of 1482241 Ontario Limited
Our File No.: 1536401

Further to the Notice of Disallowance of Claim, Right to Priority or Security delivered to my office on August 29, 2019, please find enclosed a Notice of Motion by way of Appeal on behalf of Allevio Clinic #1 Toronto Inc. o/a Allevio Pain Management.

We look forward to hearing from you regarding the 9:30 scheduling appointment.

Yours truly,
CLYDE & CO



per Jamie Spotswood
JS/am

Encl.

c: Graeme Hamilton
Crowe Soberman Inc.

Alex Morrison
Clyde & Co

Court File No. 31-2303814
Estate No. 31-23003814

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

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

BETWEEN:

ALLEVIO CLINIC #1 TORONTO INC. o/a ALLEVIO INC.

Moving Party

-and-

CROWE SOBERMAN INC.,
TRUSTEE ACTING IN THE PROPOSAL OF 1482241 ONTARIO LIMITED

Responding Party

NOTICE OF MOTION

TAKE NOTICE that the Moving Party, Allevio Clinic #1 Toronto Inc. o/a Allevio Inc. ("Allevio") will make a motion by way of appeal from the Notice of Disallowance of Claim, Right to Priority or Security, dated August 29, 2019 delivered by Crowe Soberman Inc., trustee (the "Trustee") acting in respect to the proposal proceedings of 1482241 Ontario Limited ("148") on a date to be scheduled before Justice Hainey at a 9:30 a.m. chambers appointment or soon after that time as the motion can be heard at the Courthouse, Toronto, Ontario.

PROPOSED METHOD OF HEARING: Orally.

THE MOTION IS FOR an Order:

- a) An Order extending the time in which to bring this appeal, if necessary;

- b) An Order allowing Allevio's appeal of the Notice of Disallowance by the Trustee dated August 29, 2019 from Allevio's Proof of Claim;
- c) An Order declaring that Allevio is entitled to recover the amount of \$201,903.98 that the Trustee disallowed plus the allowed portions of Allevio's claim;
- d) Costs of this motion; and
- e) Such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS IN SUPPORT FOR THE MOTION ARE:

- a) On October 13, 2017, 148 filed a Notice of Intention to Make a Proposal and the Trustee consented to act as the Proposal Trustee for 148;
- b) By Order dated March 16, 2018, Justice Hainey approved, among other things, the sale of 148's principal asset, the Duncan Mill Property;
- c) By Order of Justice Hainey dated June 12, 2018, the Trustee's Proposal was approved;
- d) On July 19, 2018 Allevio delivered a Form 31, Proof of Claim to the Trustee in compliance with the *Bankruptcy and Insolvency Act*;
- e) On August 29, 2019, the Trustee sent a Notice of Disallowance of Claim, Right to Priority or Security to Allevio. The Trustee disallowed \$201,903.98 of Allevio's Proof of Claim on the following basis: (i) that there was no supporting documents for \$99,246.02 relating to damages caused by a flood to Allevio's premises; (ii) that \$82,448.30 for loss of profits due to breach of right of first

refusal clause was a contingent claim subject to a lawsuit which had not been determined; (iii) that the legal and professional fees should be calculated on a partial indemnity basis, resulting in \$19,606.00 being disallowed; and (iv) that no judgment has been obtained against 148;

- f) Allevio respectfully submits that it filed with the Trustee a proper Proof of Claim substantiating the recovery of its \$486,050.06 unsecured claim, with proper supporting documents;
- g) Sections 135(4) and 187(11) of the *Bankruptcy and Insolvency Act*;
- h) Rules 3, 6, and 11 of the *Bankruptcy and Insolvency General Rules*; and
- i) Such further and other grounds as the parties may advise and this Honourable Court may permit.

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

- a) The Affidavit of Ross Hedin, with exhibits, to be filed;
- b) Such further and other evidence as counsel may advise and this Honourable Court may deem just.

September 25, 2019

CLYDE & CO CANADA LLP
401 Bay Street, Suite 2500
P.O. Box 25
Toronto, ON M5H 2Y4

Jamie Spotswood /
Alex Morrison
Tel: (416) 366-4555
Fax: (416) 366-6110

Lawyers for the Moving Party, Allevio
Clinic #1 Toronto Inc. o/a Allevio Inc.

TO: **CROWE SOBERMAN INC.**
2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5

Hans Rizzari

Tel: (416) 929-2500
Fax: (416) 929-2555

Crowe Soberman Inc., Trustee
acting in the Proposal of
1482241 Ontario Limited

AND

TO: **AIRD BERLIS LLP**
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff/
Miranda Spence
Tel: (416) 863-1500
Fax: (416) 863-1515

Counsel for the Trustee

<p>IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO</p>	<p>Court File No.:31-2303814</p>
<p>ONTARIO SUPERIOR COURT OF JUSTICE (Commercial List)</p>	
<p>(PROCEEDING COMMENCED AT TORONTO)</p>	
<p>NOTICE OF MOTION</p>	
<p>CLYDE & CO CANADA LLP 401 Bay Street Suite 2500, Box 25 Toronto, Ontario M5H 2Y4</p>	
<p>Jamie Spotswood Alex Morrison Telephone: (416) 366-4555 Facsimile: (416) 366-6110</p>	
<p>Lawyers for the Moving Party, Allevio Clinic #1 Toronto Inc. o/a Allevio Inc.</p>	

This is Exhibit "G" referred to in the Affidavit of Alain Checroune
sworn before me this 13th day of January, 2020



A Commissioner for Taking Oaths, Affidavits (or as may be) in Ontario

Alex Fernet Brochu

Jessica Wuthmann

Subject: RE: In the Matter of the Proposal of 1482241 Ontario Limited - Court File No. 31-2303814

From: Miranda Spence [<mailto:mspence@airdberlis.com>]

Sent: Tuesday, December 10, 2019 1:05 PM

To: Diana McMillen <dmcmillen@airdberlis.com>; David T. Ullmann <DULLmann@blaney.com>; Alexandra Teodorescu <ATeodorescu@blaney.com>; 'nparis@parislaw.ca' <nparis@parislaw.ca>; 'MShapiro@dickinson-wright.com' <MShapiro@dickinson-wright.com>; 'MBrzejinski@dickinson-wright.com' <MBrzejinski@dickinson-wright.com>; 'pgribilas@ynlclaw.com' <pgribilas@ynlclaw.com>; 'george@chaitons.com' <george@chaitons.com>; 'gcharoc@toronto.ca' <gcharoc@toronto.ca>; 'diane.winters@justice.gc.ca' <diane.winters@justice.gc.ca>; 'kevin.ohara@ontario.ca' <kevin.ohara@ontario.ca>; 'christopher.stanek@gowlingwlg.com' <christopher.stanek@gowlingwlg.com>; 'natasha.carew@gowlingwlg.com' <natasha.carew@gowlingwlg.com>; 'larry.keown@devrylaw.ca' <larry.keown@devrylaw.ca>; 'sbrotman@fasken.com' <sbrotman@fasken.com>; 'neil.rabinovitch@dentons.com' <neil.rabinovitch@dentons.com>; 'Jamie.Spotswood@clydeco.ca' <Jamie.Spotswood@clydeco.ca>; 'ndecicco@fasken.com' <ndecicco@fasken.com>; 'dchochla@fasken.com' <dchochla@fasken.com>; 'billappleby@aab-lawoffice.com' <billappleby@aab-lawoffice.com>; 'rclonfero@clonferolaw.com' <rclonfero@clonferolaw.com>; 'jg@jeffgraylaw.ca' <jg@jeffgraylaw.ca>; 'mb@mblegal.ca' <mb@mblegal.ca>; 'dmagisano@lerners.ca' <dmagisano@lerners.ca>; 'efan@lerners.ca' <efan@lerners.ca>
Cc: Steve Graff <sgraff@airdberlis.com>; Hans Rizarri <Hans.Rizarri@CroweSoberman.com>; Graeme Hamilton <Graeme.Hamilton@CroweSoberman.com>

Subject: RE: In the Matter of the Proposal of 1482241 Ontario Limited - Court File No. 31-2303814

Further to the below, please find attached the Order and Endorsement of Justice Pattillo dated December 6, 2019.

Kindly note the next return date, scheduled for January 17, 2019, to address further scheduling of the claims process.

Miranda Spence
Aird & Berlis LLP

T 416.865.3414

E mspence@airdberlis.com

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Miranda Spence

Sent: December-02-19 6:30 PM

To: Diana McMillen <dmcmillen@airdberlis.com>; 'dullmann@blaney.com' <dullmann@blaney.com>; 'ATeodorescu@blaney.com' <ATeodorescu@blaney.com>; 'eturkienicz@mccagueborlack.com' <eturkienicz@mccagueborlack.com>; 'nparis@parislaw.ca' <nparis@parislaw.ca>; 'MShapiro@dickinson-wright.com' <MShapiro@dickinson-wright.com>; 'MBrzejinski@dickinson-wright.com' <MBrzejinski@dickinson-wright.com>; 'pgribilas@ynlclaw.com' <pgribilas@ynlclaw.com>; 'george@chaitons.com' <george@chaitons.com>; 'gcharoc@toronto.ca' <gcharoc@toronto.ca>; 'diane.winters@justice.gc.ca' <diane.winters@justice.gc.ca>; 'kevin.ohara@ontario.ca' <kevin.ohara@ontario.ca>; 'christopher.stanek@gowlingwlg.com' <christopher.stanek@gowlingwlg.com>; 'natasha.carew@gowlingwlg.com' <natasha.carew@gowlingwlg.com>; 'larry.keown@devrylaw.ca' <larry.keown@devrylaw.ca>; 'sbrotman@fasken.com' <sbrotman@fasken.com>; 'neil.rabinovitch@dentons.com' <neil.rabinovitch@dentons.com>; 'Jamie.Spotswood@clydeco.ca'

<jamie.spotswood@clydeco.ca>; 'ndecicco@fasken.com' <ndecicco@fasken.com>; 'dchochla@fasken.com' <dchochla@fasken.com>; 'billappleby@aab-lawoffice.com' <billappleby@aab-lawoffice.com>; 'rclonfero@clonferolaw.com' <rclonfero@clonferolaw.com>; 'jg@jeffgraylaw.ca' <jg@jeffgraylaw.ca>; 'mb@mblegal.ca' <mb@mblegal.ca>; 'dmagisano@lerners.ca' <dmagisano@lerners.ca>; 'efan@lerners.ca' <efan@lerners.ca>
Cc: Steve Graff <sgraff@airdberlis.com>; 'Hans Rizarri' <Hans.Rizarri@CroweSoberman.com>; 'Graeme Hamilton' <Graeme.Hamilton@CroweSoberman.com>
Subject: In the Matter of the Proposal of 1482241 Ontario Limited - Court File No. 31-2303814

Counsel:

Attached please find the Proposal Trustee's motion record returnable December 6, 2019.

We are seeking an order:

1. authorizing payments to certain creditors whose claims are undisputed;
2. authorizing the payment of a sum to the Debtor, which will leave a sufficient holdback in the Proposal Trustee's hands to cover all disputed creditor claims in full;
3. authorizing a process by which the disputed creditors' claims will be brought before the Court; and
4. payment of fees.

Regards,

Miranda Spence

T 416.865.3414
F 416.863.1515
E mspence@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com

AIRD BERLIS

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

TAB 3

Court File No. 31-2303814
Estate File No. 31-2303814

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

THE HONOURABLE) TUESDAY, THE 17th DAY
)
) OF JANUARY, 2020

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION made by 1482241 Ontario Limited (“**Debtor**”) for an Order authorizing the release of funds in the hands of Crowe Soberman Inc., in its capacity as Licensed Insolvency Trustee with respect to the Debtor (in such capacity, the “**Proposal Trustee**”), to the Debtor was heard on January 17, 2020 at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Alain Checroune dated January 13, 2020, and on hearing the submissions of counsel for the Debtor, counsel for the Proposal Trustee, and those other parties present, and noting that no one appearing for any other person on the service list, although duly served as appears in the affidavit of service of ●, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion was properly returnable on January 17, 2020 and hereby dispenses with further service thereof.

DISTRIBUTION OF FUNDS

2. **THIS COURT ORDERS** that the Proposal Trustee is hereby authorized and directed to release all of the funds in its hands derived from the sale of 240 Duncan Mills Road, and any other funds in its hands from any other asset or operation of the Debtor, to the Debtor except for \$15,000, which the Proposal Trustee is required to retain as a Proposal Default Fund (as defined in the Proposal).

3. **THIS COURT ORDERS** that nothing in this Order alters in any way the terms of the Proposal, or the obligations or responsibilities of any party thereunder.

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

CROWE SOBERMAN INC., in its capacity as

Licensed Insolvency Trustee of 1482241 Ontario Limited

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

ORDER

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

David T. Ullmann (LSO #423571)
Tel: (416) 596-4289
Fax: (416) 594-2437
Email: dullmann@blaney.com

Jessica Wuthmann (LSO # 72442W)
Tel: (416) 593-3924
Fax: (416) 594-2437
Email: jwuthmann@blaney.com

Lawyers for 1482241 Ontario Limited

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

CROWE SOBERMAN INC., in its capacity as
Licensed Insolvency Trustee of 1482241 Ontario Limited

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

MOTION RECORD OF 1482241 ONTARIO LIMITED (“148”)
(RE: Payout of Funds to 148 – Returnable January 17, 2020)

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

David T. Ullmann (LSO #423571)
Tel: (416) 596-4289
Fax: (416) 594-2437
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Jessica Wuthmann (LSO # 72442W)
Tel: (416) 593-3924
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Email: jwuthmann@blaney.com

Lawyers for 1482241 Ontario Limited