

Court File No. 31-2303814
Estate 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**

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

**MOTION RECORD OF 1482241 ONTARIO LIMITED
(Motion to Release Funds, Returnable June 12, 2018)**

June 8, 2018

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Tab 1

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**CROWE SOBERMAN INC., in its capacity as
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**NOTICE OF MOTION
(Returnable June 12, 2018)**

THE MOVING PARTY, 1482241 Ontario Limited (“148 Ontario” or the “Company”), will make a motion to the Court to be heard, on June 12, 2018, 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) abridging the time for and validating the service of the Notice of Motion and the Motion Record;
 - b) directing Crowe Soberman Inc., in its capacity as proposal trustee for the Company (“**Proposal Trustee**”) to disburse the Sale Proceeds (as defined below)

to 148 Ontario, subject to holdbacks for the amounts currently in dispute with Dan Realty Corporation E. Mason Investments Limited and Cooperstone Investments Limited (collectively, the “**First Mortgagees**”), Janodee Investments Ltd. and Meadowshire Investments Ltd. (collectively, the “**Second Mortgagees**”), and the DIP Lender, and professional fees for the Proposal Trustee and its counsel;

- c) directing that the Proposal Trustee’s role following the approval of the Company’s proposal is limited to dealing with claims and distributing proposal funds, and will not involve managing the operations of the Company;

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. On November 3, 2017, the Honourable Mr. Justice Hainey approved a sale solicitation process with respect to the Property (“**Sales Process**”), granted an administration charge

in favour of the Proposal Trustee, its counsel and counsel for the Company, and approved a debtor-in-possession funding arrangement between 148 Ontario and Caruda Holdings Ltd. (“**DIP Lender**”);

5. Pursuant to the Order of Justice Hainey, dated December 20, 2017, the deadline for the interested parties to submit bids in the Sales Process was extended;
6. 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;
7. On March 16, 2018, the First Mortgagees were paid amounts owing to them under the charge, less the amount of \$206,250, being the three months interest penalty being claimed by the First Mortgagees, which is still in dispute between the parties;
8. On April 5, 2018, the Proposal Trustee was authorized to disburse \$1.2 million to the Second Mortgagees, which was owed to them by the Company under the mortgage. The sum of \$450,378.19 plus accruing interest is claimed by the Second Mortgagees, but remains in dispute between the parties;
9. By Order of the Court dated April 20, 2018, the Proposal Trustee was authorized to make distributions from the Sale Proceeds, including paying up to a maximum of \$200,000 to the Company to fund ongoing operations and expenses. This Order was amended on May 18, 2018 to provide that the Proposal Trustee could disburse up to \$200,000 to the

Company on a monthly basis after having provided written notice to the Service List of its intention to make payments to the Company (“**Distribution Order**”);

10. 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. Court approval of the Proposal is scheduled for June 12, 2018;
11. Despite making requests for more operating funds between March 29th and June 8th, the Proposal Trustee has only disbursed \$200,000 to the Company. One payment of \$100,000 was made in April. Two payments of \$50,000 each were made at the beginning of May;
12. No further funding was provided to the Company after the beginning of May;

Funds should be disbursed to the Company

13. The Company is cash poor. Its principal was required to personally fund services and moving expenses for the Company;
14. It was initially anticipated that the Proposal Trustee would hold on to the Sale Proceeds for a short period of time;
15. No creditor has made any objections to any disbursements to the Company thus far;
16. The Company has rented new office space and continues to incur operating expenses such as moving expenses, fees related to its leases premises, office supplies, IT support services and salaries for management, administrative staff and other professionals, which it cannot pay without the Proposal Trustee’s consent and notice to the Service List;

17. The Company also retains two pieces of outstanding litigation for which it requires funding to pursue;
18. As a result of the Approval and Vesting Order and the Distribution Order, a cumbersome process has been established wherein the Proposal Trustee scrutinizes the Company's expenses, then advises the Service List of any proposed distributions to the Company. This process is not cost effective or efficient. The Proposal Trustee has limited resources and cannot process the Company's requests for funding in real time, which makes it difficult for the Company to run its business;
19. The most cost-effective and straight-forward way to move forward, pending approval of the Proposal, 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;
20. It is usual in a debtor driven restructuring for the debtor to have access to its funds;
21. The admitted claims as at the date of the creditors' meeting suggest that there could be a large surplus payable to the Company from the Sale Proceeds;
22. The inherent jurisdiction of this Honourable Court;
23. Such further and other grounds as counsel may advise and this Honourable Court may permit.
24. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:
25. The Affidavit of Alain Checroune, sworn June 8, 2018;

26. Such further and other evidence as this Honourable Court may permit.

June 8, 2018

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Tab 2

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**AFFIDAVIT OF ALAIN CHECROUNE
(Sworn June 8, 2018)**

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 depose to herein. 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 directing Crowe Soberman Inc., in its capacity as proposal trustee for the Company (“**Proposal Trustee**”), to return all funds currently in its possession from the sale of the Property (as described below) to the Company, subject to certain holdbacks, and directing that the Proposal Trustee’s role following the approval of the Company’s proposal is limited to dealing with claims and distributing proposal funds, and will not involve managing the operations of 148 Ontario or otherwise dealing with its funds.

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. In furtherance of its proposal proceedings, the Company sought and obtained an Order from the Honourable Mr. Justice Hainey on November 3, 2017 (“**November 3rd Order**”) approving a sale solicitation process with respect to the Property (“**Sales Process**”), granting an administration charge in favour of the Proposal Trustee and other professionals, and approving a debtor-in-possession funding arrangement (“**DIP**”) between 148 Ontario and Caruda Holdings Ltd. (“**DIP Lender**”). A copy of the November 3rd Order is attached hereto and marked as **Exhibit “A”**.

6. On December 20, 2017, Justice Hainey, among other things, amended the Sales Process to extend certain deadlines for the submission of bids. Attached hereto and marked as **Exhibit “B”** is a copy of the Order of the Honourable Mr. Justice Hainey, dated December 20, 2017.

7. The Proposal Trustee entered into a transaction for the sale of the Property in late February 2018, 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 “C”** is a copy of the Approval and Vesting Order of Justice Hainey, dated March 16, 2018.

8. On the same day, the first mortgagees, Dan Realty Corporation E. Mason Investments Limited and Copperstone Investments Limited, were paid out amounts they were owed under their mortgage and under the Property Tax DIP Loan (as defined in the Ancillary Order), subject to certain disputed amounts. A copy of the Ancillary Order, dated March 16, 2018, is attached hereto and marked as **Exhibit “D”**.

9. An interim distribution from the Sale Proceeds was also made to the second mortgagees, Janodee Investments Ltd. and Meadowshire Investments Ltd., in the amount of \$1.2 million to be applied to the indebtedness owing by the Company under the mortgage. Attached hereto and marked as **Exhibit “E”** is a copy of Justice Hainey’s Order, dated April 5, 2018.

10. On or about April 12, 2018, the Company made a proposal to its creditors (“**Proposal**”), which is attached hereto and marked as **Exhibit “F”**.

11. On April 20, 2018, the Court ordered that certain distributions be made from the Sale Proceeds. Attached hereto and marked as **Exhibit “G”** are copies of the Court’s Amended Order re Distributions and corresponding Endorsement (“**April 20th Distribution Order**”), Order re DSF Writ, and Order re Fee Distributions, all dated April 20, 2018. In keeping with the submissions made by the Company to the Court on April 20th, the Company continues to oppose the payments that were made to Cushman & Wakefield ULC and Colliers Macaulay Nicolls Inc., and is currently seeking closing documents from the sale and intends to further review with the Proposal Trustee how and why these payments arose.

Company not in control of the Sale Proceeds

12. During the NOI proceedings from October until the Proposal was filed in April (the “**NOI Period**”), in accordance with the demands of the secured creditors, the Company surrendered control of the rental proceeds from the Property, and most of the operations, to Avison Young, who were engaged by the Proposal Trustee as property manager.

13. As set out in my previous affidavits, I have serious concerns about how the Property was managed by Avison Young. In particular, I am of the view that Avison Young in certain cases failed to pay people when due, and in other cases overpaid or allowed it to be over charged for services.

14. According to the Proposal Trustee, Avison Young failed to pay parties in excess of \$230,000, which resulted in the Proposal Trustee having to seek the order of this Court on April 20th, 2018 to pay for those services.

15. The Company, through its counsel, objected at Court to the wholesale payment of these

expenses, as we felt several were inappropriately high, but the Court overruled that position and ordered that all expenses itemized in the Proposal Trustee's report be paid, and I understand the Proposal Trustee has now done so. The Company is of the view that these payments should not have had to have been made from the Sale Proceeds. Had the Property been managed appropriately by Avison Young, there should have been sufficient operational proceeds to fund these expenses.

16. Despite requesting more operating funds in the period between March 29th and the date of this affidavit, the Proposal Trustee has only disbursed \$200,000 to the Company (as authorized by the Court under the April 20th Distribution Order). One payment of \$100,000 was made in April. Two payments of \$50,000 each were made at the beginning of May.

17. There has been some confusion between the Company and the Proposal Trustee as to how the funding mechanism should operate going forward and what degree of control or oversight the Proposal Trustee is required to have. In the interim, the Proposal Trustee has not provided any further funds to the Company since May 9th.

18. The Company is extremely cash poor. In early May, the phones and internet for the Company were cut off due to non-payment. I had to pay these amounts personally on my credit card. I have also paid certain recent moving expenses for the Company personally. I have also not received my usual salary, or indeed any salary, from the Company since March 2018.

19. On May 17, 2018, counsel for the Company, David Ullmann, advised the Service List that the Company would be seeking an amendment to the April 20th Distribution Order allowing the Proposal Trustee to distribute up to a maximum amount of \$200,000 monthly to the Company after providing prior notice to the Service List. No objections were received from the

Service List in regards to this relief other than from counsel to Jamshid Hussaini and Neelofar Ahmadi (the “**Property Claimants**”).

20. The Court approved the amendment to the April 20th Distribution Order and added a caveat that, if any party objects, all issues would be addressed by the Court. Attached hereto and marked as **Exhibit “H”** is a copy of the Court’s Endorsement, dated May 18, 2018. This Endorsement was circulated to the Service List by the Proposal Trustee and there have been no objections to it.

21. On May 23, 2018, counsel for the Proposal Trustee wrote to counsel for the Company raising several issues before a further distribution could be made. Attached hereto and marked as **Exhibit “I”** is a copy of the letter from Miranda Spence to David Ullmann, dated May 23, 2018.

22. Mr. Ullmann wrote to counsel for the Proposal Trustee requesting clarification if certain outstanding expenses had been paid, and also requesting further funds to be released to the Company since it had significant arrears that were necessary to its operations. The e-mail exchange between counsel for the Company and the Proposal Trustee’s lawyer is attached hereto and marked as **Exhibit “J”**.

Current Mechanism is Untenable

23. The holding of the Sale Proceeds by the Proposal Trustee was anticipated to be short term. The sale closed on March 29th. The Proposal was filed on April 12th. It was anticipated by the Company at the time of the Order of this Court that the Sale Proceeds would be distributed to the secured creditors and the Proposal would be promptly passed.

24. The Proposal contemplates a one-time payment to the creditors from funds already

realized and in the possession of the Proposal Trustee. The Company had hoped the Proposal would have been approved in May.

25. 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, which it currently cannot pay without the Proposal Trustee's consent and notice to the entire Service List. The absence of funds is hampering the Company's operations and distracting it from its business.

26. The Company also retains two outstanding pieces of litigation (against North York Family Physician Holdings Ltd. for approximately \$1.1 million and against Clear Custom Brokers Ltd. for approximately \$400,000, each of which were described in my earlier affidavits) which it is continuing to pursue against former tenants. The Company requires funding to pursue this litigation.

27. Additionally, the Company has outstanding invoices that it is required to pay, such as for utilities. Attached hereto and marked as **Exhibit "K"** are copies of expenses, which I have forwarded to the Proposal Trustee but which to my knowledge remain unpaid. Apparently these are adjustments which the Proposal Trustee conceded as part of the negotiation of the sale. The Company did not participate in those negotiations.

28. The current mechanism put in place is untenable because it does not allow the Company to pay for items as they come due.

29. The system in place to access funds is also an inefficient use of resources. It does not make practical sense for the Company to be seeking payment of a \$3,000 invoice for office supplies and machinery, which then requires the Proposal Trustee, its counsel and our counsel to spend several thousand dollars reviewing the invoices and payments. The Proposal Trustee does not have the time or resources to apply the level of scrutiny it has interpreted is required given its position as Court officer in real time. As such, the Company is left in the anomalous position that it cannot properly and efficiently run its business, despite remaining in control of its business operations.

30. 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.

31. The Proposal Trustee finds itself in the position of controlling these funds in this manner as a result of some well-intentioned ad hoc decisions and partial accommodations made up to this point in these proceedings by both the Company and the Proposal Trustee. A more permanent solution is now required. I am also advised by our counsel that the management of the business of the debtor in restructuring is beyond the role provided in the BIA for a proposal trustee. The Proposal Trustee is not the receiver of 148 Ontario. Why should the Proposal Trustee decide how much management should be paid or what business we conduct or how much that costs or should cost?

32. No creditor or other interested party has objected to any disbursements being made to the Company thus far. No creditor has sought the appointment of a receiver over the Company.

33. I believe the most cost-effective and straightforward way to move forward 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.

34. The Proposal Trustee should be directed to release to the Company all of the funds in its hands from the sale, net of any amounts payable for professional fees as ordered on June 12th and net of the following holdbacks:

- (a) \$250,000 in respect of the amount in dispute with the first mortgagees plus costs;
- (b) \$475,000 in respect of the amount in dispute with the second mortgagees plus costs;
- (c) \$650,000 in respect of the amount in dispute with the DIP Lender for outstanding advances under its DIP facility; and
- (d) \$100,000 for professional fees of the Proposal Trustee and its counsel.

35. The Proposal Trustee advised at the creditors' meeting on May 4th that it then had \$6,814,000 in its hands. There have been no material payments since that time of which I am aware and I therefore assume the Proposal Trustee is still holding those funds. Net of these holdbacks, and the professional fees to be paid on June 12th, the proposed distribution to the Company would be in the amount of approximately \$5,100,000.

36. The Proposal requires the Proposal Trustee to pay the Sale Proceeds, up to the lesser of \$6,700,000 or 100% of the proven claims, to the creditors.

37. Attached as **Exhibit “L”** is the list of claimants from the creditors’ meeting. My claims in the amount of \$12,000,000 and \$1,440,000 set out therein were postponed at the creditors’ meeting.

38. Almost none of the large claims in the Proposal are currently approved by the Proposal Trustee. If the related parties, the DIP Lender, and the contingent litigation claims are all disallowed by the Proposal Trustee in full, the claims in the Proposal could be less than \$1,000,000. The admitted claims as at the date of the creditors’ meeting were only \$840,000. It is entirely possible, therefore, that there could be a large surplus payable to the Company from the Sale Proceeds.

Proposed Claims Resolution Process

39. I have reviewed the claims resolution process proposed by the Proposal Trustee and am in support of what is proposed therein, subject to the following caveats.

40. The claims process proposed by the Proposal Trustee should not apply to the claims advanced by the Property Claimants. The Property Claimants advanced property proofs of claim claiming that they hold a 20% beneficial interest in the Property and/or the Sale Proceeds (“**Property Claim**”). In addition to the Property Claim, the Property Claimants also submitted an unsecured claim in the amount of \$42,705,000 (“**Unsecured Claim**”), which is factually related to the Property Claim and was valued at \$1 at the creditors’ meeting. The Proposal Trustee has already disallowed the Property Claim in full. On May 31, 2018, the Property Claimants appealed the Proposal Trustee’s disallowances.

41. The Proposal provides at section 4.2 that “contingent claims against the Company arising

out of existing litigation against the Company" will be defended by "the Company and its counsel" with input from the Proposal Trustee. The Company is of the view that the Property Claim and the Unsecured Claim are contingent claims that have no merit. To be clear, the Property Claimants have no legitimate claims and nothing is owing to them.

42. I believe that the Company (and not the Proposal Trustee) is in the best position to deal with the Property Claim and the Unsecured Claim as it has the best knowledge of the factual circumstances relating to these claims. The Proposal Trustee should play a very limited role with respect to these claims, which should be adjudicated as between the Claimants and the Company, with the assistance of the Court, if necessary.

43. The Company also takes issue with the Proposal Trustee's suggestion that it should post security for costs in the claim adjudication process. The Company is participating in the claims process because it is best situated to contest potential claims, and should not have to post security for something it would be required to do in any event. As of the swearing of this affidavit, the Sale Proceeds are in the hands of the Proposal Trustee, and the Company does not have any funds that it can call upon to post such security in any event.

Property Claimants

44. The Property Claimants have filed an Unsecured Claim in the Proposal in the amount of \$42,705,000. As noted in my earlier affidavits in this proceeding, it is my opinion that nothing is owing to the Property Claimants.

45. I believe that the Unsecured Claim was filed solely for the purpose of delaying the distribution of proceeds under the Proposal. The amount claimed is so large it is meant to prevent

any possible meaningful interim dividend pending its resolution.

46. It is my understanding that the Proposal requires the Proposal Trustee to seek all claims to be filed within 30 days of a date which is 10 days after the approval of the Proposal by this Court. In the event this Proposal is approved, that would be in or around August 1st. The creditors in this Proposal, including myself personally and the Company (to the extent of the surplus) had a reasonable expectation that the Sale Proceeds would be distributed in August (if not sooner) when they voted to approve the Proposal.

47. Given the contingent nature of the claims advanced by the Property Claimants, the Company is of the view that this Court should hold a settlement conference to address and adjudicate these claims as expeditiously as possible and certainly in advance of August 1, 2018 when distributions are likely to be made.

Counsel Fees

48. I have received accounts from Blaney McMurtry LLP for the period of April 1, 2018 to May 31, 2018 in the amount of \$76,562.61, inclusive of HST, disbursements and an approximately \$7,000 discount on fees charged. I have approved that account and recommend it be paid from the Sale Proceeds.

49. I swear this affidavit in support of 148 Ontario's motion for an Order directing the Proposal Trustee to disburse all funds currently in its possession from the sale of the Property to the Company, subject to certain holdbacks, and directing that the Proposal Trustee's role following the approval of the Proposal be limited to dealing with claims and distributing proposal funds, and will not involve managing the operations of 148 Ontario or otherwise

dealing with its funds, and for no improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, this 8th
day of June, 2018.

A Commissioner for Taking Affidavits, etc.
David Ullmann


ALAIN CHECROUNE

EXHIBIT A

This is Exhibit "A" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



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

David Ullmann



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

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

THE HONOURABLE)	FRIDAY, THE 3 RD DAY
)	
MR. JUSTICE HAINY)	OF NOVEMBER, 2017

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 *inter alia*:

(a) granting a charge in respect of the fees and expenses of counsel to the Debtor, Crowe Soberman Inc. in its capacity as Licensed Insolvency Trustee with respect to the Debtor (in this capacity, “**Proposal Trustee**”), and Proposal Trustee’s counsel; (b) approving a sale solicitation process (“**Sale Process**”) with respect to the assets and business of the Debtor; (c) approving the interim financing of the Debtor and the DIP Term Sheet (defined below) and granting the DIP Lender’s Charge (as defined below); and (d) extending the time within which a Proposal must be filed to and including December 27, 2017, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Alain Checroune, sworn October 26, 2017, the First Report of the Proposal Trustee, dated October 27, 2017 (“**First Report**”), the Supplemental Report of the Proposal Trustee, dated November 2, 2017, and on hearing the submissions of

- 2 -

counsel for the Debtor and counsel for the Proposal Trustee, and those other parties present, no one appearing for any other person on the service list, although duly served as appears of the affidavit of service of Alexandra Teodorescu, 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 is properly returnable today and hereby dispenses with further service thereof.

ADMINISTRATION CHARGE

2. **THIS COURT ORDERS** that counsel to the Debtor, the Proposal Trustee and counsel to the Proposal Trustee (“**Administrative Parties**”) shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on all property, assets and undertakings of the Debtor (“**Property**”), as security for the fees and disbursements of the Administrative Parties, incurred at their standard rates and charges and on the terms set forth in their respective engagement letters, both before and after the making of this Order.

DIP FINANCING

3. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow under a credit facility pursuant to the Debtor-in-Possession Term Sheet (“**DIP Term Sheet**”) between the Debtor and the lender (“**DIP Lender**”) in the form attached hereto as Schedule “A”, provided that the borrowings by the Debtor under the DIP Term Sheet shall not exceed \$750,000 unless permitted by further Order of this Court.

- 3 -

4. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (“**DIP Lender’s Charge**”) on the Property as security for any and all obligations, including on account of principal, interest, fees, expenses and other liabilities, under the DIP Term Sheet (“**DIP Obligations**”), which DIP Lender’s Charge shall be in the aggregate amount of the DIP Obligations outstanding at any given time under the DIP Term Sheet.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

5. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender’s Charge (collectively, the “**Charges**”), as among them, shall be as follows:

First - the Administration Charge; and

Second - the DIP Lender’s Charge

6. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

7. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise, except will not rank in priority to any lien for unpaid realty taxes in connection with the Property and will also not rank in priority to the following two charges (provided that the charges are otherwise valid and enforceable):

- 4 -

- (a) A first charge granted by the Debtor in favour of Computershare Trust Company of Canada in the amount of \$11,250,000, and registered on title to the Property on September 29, 2005 as Instrument No. AT935525, which was subsequently transferred to Dan Realty Limited, E. Manson Investments Limited and Copperstone Investments Limited (collectively, the "**First Mortgagees**") on June 2, 2016, and registered as Instrument No. AT4236037; and
- (b) A second in position charge granted by the Debtor in favour of Janodee Investments Ltd. and Meadowshire Investments Ltd. (collectively, the "**Second Mortgagees**") in the amount of \$1,420,000, registered on September 21, 2016 as Instrument No. AT4349221.

APPROVAL OF SALE PROCESS

HH 8. **THIS COURT ORDERS** that the Sale Process, as described in Appendix "E" to the ~~First Report~~ *C* ~~to the this Order~~, be and is hereby approved.

9. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized and directed to perform its obligations under and in accordance with the Sale Process, and to take such further steps as it considers necessary or desirable in carrying out the Sale Process.

10. **THIS COURT ORDERS** that, in accordance with its obligations under the Sale Process, the Proposal Trustee is hereby empowered and authorized, but not obligated, to do any of the following where the Proposal Trustee considers it necessary or desirable:

- (a) to engage, in consultation with the First Mortgagees, consultants, managers, property managers, real estate agents, brokers, listing agents, counsel and such

other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposal Trustee's powers and duties conferred by this Order;

- (b) in accordance with the Sale Process, to market any and all of the Property, including advertising and soliciting offers in respect of the Property, and negotiating such terms and conditions of sale as the Proposal Trustee in its discretion may deem appropriate;
- (c) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be is hereby waived;
- (d) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property and vesting same in the proceeds; and
- (e) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

and in each case where the Proposal Trustee takes such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of any other individual, firm, corporation, governmental body or agency or any other entity (each being a "Person") including the Debtor,

and without interference from any other Person. For clarity, the Proposal Trustee will have unfettered discretion in connection with the Sale Process, and will not be influenced by or obligated to follow the instructions or directions, if any, of any of the Debtor, Alain Checroune, and/or any related party.

11. **THIS COURT ORDERS** that the Proposal Trustee and its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or willful misconduct on the Proposal Trustee in performing its obligations under the Sale Process.

12. **THIS COURT ORDERS** that in connection with the Sale Process and pursuant to clause 7(3)(c) of the *Personal Information and Electronic Documents Act* (Canada), the Proposal Trustee is authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a “**Transaction**”). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Proposal Trustee, as applicable; (ii) destroy all such information, or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The transacting party with respect to any of the Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such

- 7 -

information by the Debtor, and shall return all other personal information to the Proposal Trustee, as applicable, or ensure that all other personal information is destroyed.

EXTENSION OF TIME TO FILE PROPOSAL

13. **THIS COURT ORDERS** that the time in which the Debtor is required to file a proposal is hereby extended to and including December 22, 2017.

GENERAL

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

15. **THIS COURT HEREBY REQUESTS** the aid and recognition or 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 Debtor, the Proposal Trustee and their respective 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 Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

16. **THIS COURT ORDERS** that Confidential Appendix A to the Supplemental Report of the Proposal Trustee, dated November 2, 2017, be and is hereby sealed until further Order of this Court.

A handwritten signature in blue ink, appearing to read "Haines J.", is positioned at the bottom right of the page. The signature is fluid and cursive, with a horizontal line through the "Haines" portion.

APPENDIX "A"

CARUDA
- HOLDINGS -

SINGAPORE
HONG KONG
CANADA

November 1, 2017

To: 1482241 Ontario Limited

240 Duncan Mills Road,
Toronto, Canada M3B-3S6

Attention: Mr. Alain Checroune

Dear Mr. Checroune, Alain:

**Re:Debtor in Possession funding of the Proposal of 1482241 Ontario Limited
["148"] in the amount of up to \$750,000 (the "Loan")**

We are advised that 148 has filed for protection from its creditors by filing a notice of intention to make a proposal in accordance with the Bankruptcy and Insolvency Act (the "NOI Process") Caruda Holdings Ltd. ("Lender") is prepared to advance funds up to the amount of \$750,000 to 148 by way of a court-approved Debtor on Possession loan, provided that the funds advanced are secured by a court-ordered charge as set out in the draft order attached hereto as Appendix "A", which loan shall in any event be in priority to all entities other than the First and Second Mortgagees and amount owing for Property Taxes as set out therein, and subject to the other terms set out herein.

The terms of the loan are as follows:

**Amount and Nature
and Purpose
of Loan:**

Up to \$750,000 to be advanced to 148 in the increments set out on the Cash Flow attached as Appendix "B" or in such larger or other amounts as 148 requests and Crowe Soberman Inc. in its capacity as proposal trustee of 148 (the "Proposal Trustee") approves, up to the maximum amount of the Loan, provided that in no event will any single advance in any month be greater than \$100,000 without the lenders express consent, which may be withheld. The funds may be used to pay outstanding interest owed to the First and Second Mortgagees.

240 DUNCAN MILL ROAD, SUITE 800, NORTH YORK, ONTARIO, CANADA M3B-3S6

First Right to Further Loans In the event that during the NOI Process 148 requires further funds in order to operate or should it elect to repay any of its other obligations, the Lender shall be given the first opportunity to provide that loan, on terms substantially similar to the terms set out herein, although the Lender is not obliged to do so. 148 will provide the Lender with written notice of its request for further funding and the purpose for such funds and the Lender shall have 5 business days to agree to make said loan.

Security and Draws:

Funds to be advanced as requested in writing by 148 by way of cheque or wire transfer into 148 accounts. All advances will be made with notice to the Proposal Trustee. The Loan and all other amounts due to the lender hereunder will be secured by a court-ordered charge in the form set out in the Order attached as Appendix A

Holdback:

\$50,000 of the Loan to be held back to establish the interest reserve (the "Interest Reserve") for interest due hereunder and for the costs of the Lender.

Interest and Payment:

8% per annum compounded monthly, not in advance, payable monthly from the interest reserve to the extent that funds are available therefrom. The Loan is repayable on Demand, and 148 hereby consents to the lifting of the stay in its NOI Process, if required, in order to allow the loan and security to be enforced. The loan shall be immediately due and payable upon the bankruptcy of 148. The Loan and all amounts due hereunder shall not be compromised in any proposal of 148 and the Lender shall be treated as an unaffected creditor in these proceedings.

Amortization:

Interest only.

Ado *Alp*

CARUDA

- HOLDINGS -

SINGAPORE
HONG KONG
CANADA

Term: Commencing on the execution of this agreement and expiring on April 30th, 2018

Privileges: Open to early pre-payment in full at any time, provided, however, that if pre-payment occurs before the three month anniversary of the initial advance, the Lender shall still be entitled to interest in respect of that three month period.

Prior Encumbrances: The Administration Charge, and the amounts owing in respect of Property Taxes, and the amounts properly due and owing and validly secured in favour of the First and Second Mortgagees

Lender Fee: \$25,000 payable (a) as to \$15,000 on the date the first amount is drawn under the Loan by 148 and (b) as to the balance of \$10,000, on the date that the Lender is repaid hereunder.

Brokerage Fee: None

Further Condition: It is understood that an Order approving this Loan, approving the Administration Charge, ordering a sale process and extending 148's NOI process is being sought on November 3rd. This Loan and the Lender's obligation hereunder is conditional upon the order being granted authorizing the Loan and granting the charge described hereof so that the Loan is in priority to all interests other than the Prior Encumbrances on November 3rd, 2017 and on a sale process being ordered by the court in respect of which a sale agreement will be entered into no later than January 30, 2017.

CARUDA

- HOLDINGS -

SINGAPORE
HONG KONG
CANADA

Assignment:

The Lender shall be entitled to assign this Agreement and the Loan to any other person.

Legal Fees:

The reasonable and documented legal fees, disbursements and HST incurred by the Lender in connection therewith, including without limitation in respect of any enforcement of its rights hereunder, shall be secured by the Order.

The foregoing constitutes a formal offer to provide financing. Nothing in this loan agreement shall prevent the Lender from bidding on or funding an entity bidding on the assets of 148 in the proposed sale process or otherwise.

Yours truly,

CARUDA HOLDINGS LTD.

Per: _____

Andy Degan

Chief Financial Officer, Secretary
Member of the Board
Shareholder



CARUDA
- HOLDINGS -SINGAPORE
HONG KONG
CANADA

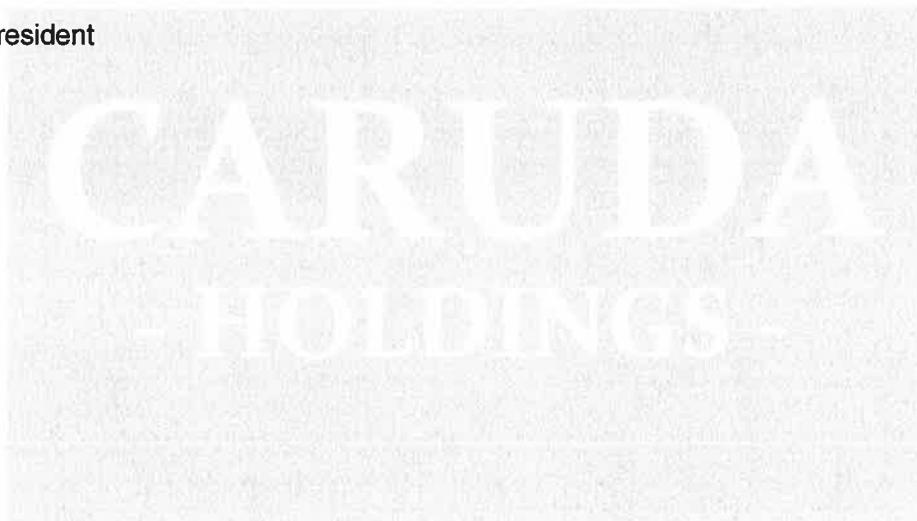
The foregoing is agreed to by the undersigned

1482241 Ontario Limited

Per: 

Name: Alain Checroune

Title: President



APPENDIX "A"

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

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

THE HONOURABLE) FRIDAY, THE 3RD DAY
)
) OF NOVEMBER, 2017

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**

ORDER

THIS MOTION made by 1482241 Ontario Limited ("Debtor") for an Order *inter alia*:

(a) granting a charge in respect of the fees and expenses of counsel to the Debtor, Crowe Soberman Inc. in its capacity as Licensed Insolvency Trustee with respect to the Debtor (in this capacity, "Proposal Trustee"), and Proposal Trustee's counsel; (b) approving a sale solicitation process ("Sale Process") with respect to the assets and business of the Debtor; (c) approving the interim financing of the Debtor and the Debtor in Possession Term Sheet (defined below) and granting the DIP Lender's Charge (as defined below); and extending the time within which a Proposal must be filed to and including December 27, 2017, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Alain Checroune, sworn October 26, 2017, the First Report of the Proposal Trustee, dated October 27, 2017 (“**First Report**”), the Supplemental Report of the Proposal Trustee, dated •, 2017, and on hearing the submissions of counsel for the Debtor and counsel for the Proposal Trustee, and those other parties present, no one appearing for any other person on the service list, although duly served as appears of the affidavit of service of Alexandra Teodorescu, 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 is properly returnable today and hereby dispenses with further service thereof.

ADMINISTRATION CHARGE

2. **THIS COURT ORDERS** that counsel to the Debtor, the Proposal Trustee and counsel to the Proposal Trustee (“**Administrative Parties**”) shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on all property, assets and undertakings of the Debtor (“**Property**”), as security for the fees and disbursements of the Administrative Parties, incurred at their standard rates and charges and on the terms set forth in their respective engagement letters, both before and after the making of this Order.

DIP FINANCING

3. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow under a credit facility pursuant to the Debtor-in-Possession Term Sheet (“**DIP Term Sheet**”) between the Debtor and the lender (“**DIP Lender**”) in the form attached hereto as

Schedule "A", provided that the borrowings by the Debtor under the DIP Term Sheet shall not exceed \$750,000 unless permitted by further Order of this Court.

4. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge ("DIP Lender's Charge") on the Property as security for any and all obligations, including on account of principal, interest, fees, expenses and other liabilities, under the DIP Term Sheet ("DIP Obligations"), which DIP Lender's Charge shall be in the aggregate amount of the DIP Obligations outstanding at any given time under the DIP Term Sheet.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

5. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (collectively, the "Charges"), as among them, shall be as follows:

First - the Administration Charge; and

Second - the DIP Lender's Charge

6. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

7. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise, except will not

rank in priority to any lien for unpaid realty taxes in connection with the Property and will also not rank in priority to the following two charges (provided that the charges are otherwise valid and enforceable):

- (a) A first charge granted by the Debtor in favour of Computershare Trust Company of Canada in the amount of \$11,250,000, and registered on title to the Property on September 29, 2005 as Instrument No. AT935525, which was subsequently transferred to Dan Realty Limited, E. Manson Investments Limited and Copperstone Investments Limited (collectively, the “**First Mortgagees**”) on June 2, 2016, and registered as Instrument No. AT4236037; and
- (b) A second in position charge granted by the Debtor in favour of Janodee Investments Ltd. and Meadowshire Investments Ltd. in the amount of \$1,420,000, registered on September 21, 2016 as Instrument No. AT4349221.

APPROVAL OF SALE PROCESS

8. **THIS COURT ORDERS** that the Sale Process, as described in Appendix “E” to the First Report, be and is hereby approved.

9. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized and directed to perform its obligations under and in accordance with the Sale Process, and to take such further steps as it considers necessary or desirable in carrying out the Sale Process.

10. **THIS COURT ORDERS** that, in accordance with its obligations under the Sales Process, the Proposal Trustee is hereby empowered and authorized, but not obligated, to do any of the following where the Proposal Trustee considers it necessary or desirable:

- (a) to engage, in consultation with the First Mortgagees, consultants, managers, property managers, real estate agents, brokers, listing agents, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposal Trustee's powers and duties conferred by this Order;
- (b) in accordance with the Sale Process, to market any and all of the Property, including advertising and soliciting offers in respect of the Property, and negotiating such terms and conditions of sale as the Proposal Trustee in its discretion may deem appropriate;
- (c) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be is hereby waived;
- (d) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property and vesting same in the proceeds; and
- (e) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

and in each case where the Proposal Trustee takes such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of any other individual, firm, corporation, governmental body or agency or any other entity (each being a “Person”) including the Debtor, and without interference from any other Person.

11. **THIS COURT ORDERS** that the Proposal Trustee and its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or willful misconduct on the Proposal Trustee in performing its obligations under the Sale Process.

12. **THIS COURT ORDERS** that in connection with the Sale Process and pursuant to clause 7(3)(c) of the *Personal Information and Electronic Documents Act* (Canada), the Proposal Trustee is authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a “Transaction”). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Proposal Trustee, as applicable; (ii) destroy all such information, or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The transacting party with respect to any of the Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such

information by the Debtor, and shall return all other personal information to the Proposal Trustee, as applicable, or ensure that all other personal information is destroyed.

EXTENSION OF TIME TO FILE PROPOSAL

13. **THIS COURT ORDERS** that the time in which the Debtor is required to file a proposal is hereby extended to and including December 22, 2017.

GENERAL

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

15. **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 Debtor, the Proposal Trustee and their respective 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 Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

APPENDIX "B"

In the matter of the Proposal of 1482241 Ontario Limited ("148")
Statement of Projected Cash flow for the Period October 2017 to March 2018

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Totals
CASH INFLOWS							
Rental Income	\$85,213	\$85,213	\$85,213	\$85,213	\$85,213	\$85,213	\$331,280
Parking	\$20,195	\$20,195	\$20,195	\$20,195	\$20,195	\$20,195	\$121,170
Tenant Recoveries	\$79,703	\$79,703	\$79,703	\$79,703	\$79,703	\$79,703	\$478,221
Sale of Building (NOTE 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Court Approved Interim Financing / DIP Loan	\$0	\$84,000	\$91,000	\$87,000	\$87,000	\$188,000	\$535,000
TOTAL INCOME	\$165,112	\$246,112	\$266,112	\$262,112	\$262,112	\$381,112	\$1,625,871
CASH OUTFLOWS							
Snow Removal	\$0	\$0	\$2,889	\$2,889	\$2,889	\$2,889	\$11,556
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities (Electricity, Gas, Water)	\$27,891	\$58,891	\$59,891	\$59,891	\$59,891	\$59,891	\$327,345
Cleaning/Janitorial	\$11,061	\$11,061	\$11,061	\$11,061	\$11,061	\$11,061	\$68,386
Repairs & Maintenance	\$34,768	\$34,768	\$34,768	\$34,768	\$34,768	\$34,768	\$208,808
Property Management Fees	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$63,000
Office Administration	\$2,845	\$2,845	\$2,845	\$2,845	\$2,845	\$2,845	\$17,072
HST Remittance	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$90,000
Payroll Expenses	\$21,828	\$21,828	\$21,828	\$21,828	\$21,828	\$21,828	\$129,768
Professional Fees - Legal (NOTE 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Fees - Proposal Trustee (NOTE 2)	\$5,000	\$0	\$0	\$0	\$0	\$0	\$5,000
Professional Fees - Accounting/Consulting	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$54,000
Vehicle expense	\$1,873	\$1,873	\$1,873	\$1,873	\$1,873	\$1,873	\$11,238
TOTAL EXPENSES	\$139,566	\$165,588	\$169,455	\$169,455	\$169,455	\$268,789	\$1,081,287
NET cash	\$25,546	\$80,514	\$99,487	\$92,657	\$99,557	\$94,323	\$444,594
Repayment of 1st Mortgage	\$0	\$88,750	\$88,750	\$88,750	\$88,750	\$88,750	\$343,750
Repayment of 2nd Mortgage	\$0	\$15,187	\$15,187	\$15,187	\$15,187	\$15,187	\$75,833
NET cash, after repayment of mortgages	\$25,546	\$63,563	\$72,480	\$71,260	\$71,260	\$594	\$24,900

1482241 Ontario Limited - Proposal to Creditors
Statement of Projected Cash flow

The following ASSUMPTIONS form part of this Statement of Projected Cash flow.

ASSUMPTIONS

Rental Income

Collections of rental income is assumed to be consistent with previous periods based on a 52% occupancy rate / 47% vacancy rate.
 The occupancy rate is unlikely to improve significantly in the short term.

Payroll

Has been reduced for cost savings.

Payables

Listed on a COD basis

Sale of Building (NOTE 1)

148's restructuring and proposal will be based on the sale and marketing of real property located 240 Duncan Mill Road, Toronto, Ontario. It is forecasted that the sales process and marketing will run for approximately 45-60 days with a closing scheduled for January or February 2018.

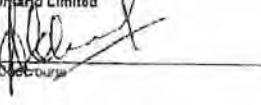
Professional Fees (NOTE 2)

In order to conserve cash through the restructuring, Professional Fees of the Proposal Trustee and legal counsel for 148 will accrue to be paid upon the sale of the building.

CERTIFICATION

THE PURPOSE of this Statement of Projected Cash flow is to provide creditors with sufficient information to make an informed decision regarding the Proposal, and to fully disclose to the Trustees and the Official Receiver, the state of 1482241 Ontario Limited financial affairs. This Statement of Projected Cash flow is prepared pursuant to the requirements of sections 50.4(2)(B) and 50(6)(a) of the Bankruptcy and Insolvency Act and solely for that purpose.

Dated this 19th day of October 2017
 1482241 Ontario Limited


 Per Alain Desjardins
 Dated this 19th day of October 2017
 CROWE SOBERMAN INC.
 Licensed Insolvency Trustee Acting in re: Proposal of 1482241 Ontario Limited


 Per Hans Rehm, CPA, CA, CIRR, LIT



Government
of Canada Gouvernement
du Canada

Update filing - update is confirmed

Welcome **Hans Rizarri** | [Preferences](#) | [E-Filing helpdesk](#) | [Instructions](#) | [Logout](#)

Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 31-2303814
- **Estate Name:** 1482241 ONTARIO LIMITED

Document(s) submitted

The following document(s) have been successfully submitted

- Form 30: Report on Cash-flow Statement by the Person Making the Proposal
- Form 29: Trustee's Report on Cash-flow Statement

Reference

- The Reference Number for this transaction is: **13744748**.
- Submitted by **Hans Rizarri**.
- 2017-10-23 13:53 EDT

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

Date modified: 2017-07-28



Government
of Canada Gouvernement
du Canada

Update filing - update is confirmed

Welcome **Hans Rizarri** | [Preferences](#) | [E-Filing helpdesk](#) | [Instructions](#) | [Logout](#)

Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 31-2303814
- **Estate Name:** 1482241 ONTARIO LIMITED

Document(s) submitted

The following document(s) have been successfully submitted

- Cash Flow Statement

Reference

- The Reference Number for this transaction is: **13744756**.
- Submitted by **Hans Rizarri**.
- 2017-10-23 13:53 EDT

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

Date modified: 2017-07-28

Appendix "C"

APPENDIX A

1482241 ONTARIO LIMITED

SALES PROCESS – OCTOBER 26, 2017

	Event	Timing
1.	The Proposal Trustee will select and retain a Listing Agent to assist the Proposal Trustee with the marketing and solicitation of offers for the Property.	On or before November * 2018
2.	Compile a list of interested parties through consultation with the Debtor, the Listing Agent, and the Crowe Network of advisors and investors in real estate. <u>The list of interested parties shall be kept confidential from the Debtor, Alain Checroune, and/or any related party (collectively the "Debtor Parties"), unless and until the Debtor Parties declare their intention not to submit an Offer, as described in section 6 below.</u>	On or before November * 2018
3.	Send a teaser (the "Teaser") and confidentiality agreement ("CA") to all parties identified by Crowe as potentially having an interest in the business and assets (the "Property").	Immediately following the Sale Process Approval Date
4.	Information pertaining to this opportunity will be posted on the Proposal Trustee's website: www.crowesoberman.com/insolvency/engagements which will include: <ul style="list-style-type: none"> • An Invitation for Offers to purchase the Debtor's Property; • The Proposed Terms and Conditions of Sale, which is on an "as is, where is" basis with no representations or warranties; and • A CA from the Proposal Trustee. 	Within 10 business days of issuance of the Sale Process Approval Date
5.	The Proposal Trustee shall advertise the Property and Sales Process in <i>The Globe and Mail</i> (National Edition).	Within 10 business days of the Sale Process Approval Date but by no later than Nov 20, 2017
6.	<u>The Debtor Parties shall declare to the Proposal Trustee, in writing, whether they intend to make an Offer in the Sale Process. If the Debtor Parties advise the Proposal Trustee that they intend to make an Offer, then no further information regarding the Sale Process shall be provided to them, and they will be treated in the same manner as any other Interested Party. If the Debtor Parties advise the Proposal Trustee that they do not intend to make an Offer, they shall thereafter be prohibited from doing so.</u>	<u>On or before December 15, 2017</u>
6Z	Interested Parties expressing an interest in participating in the Sale Process will be required to execute the CA, upon which Interested Parties will receive available information in respect of the Property and Sale Process, including access to an electronic data room, once established, which will also include a Confidential Information	Through to no later than January 15, 2018

	Memorandum (“CIM”) setting out the investment and/or purchase opportunity. In addition parties wishing to undertake further due diligence will be provided with an opportunity to conduct site visits and review further additional information not available from the electronic data room.	
7-8.	Interested Parties will have until 5:00 pm Eastern Standard Time on Monday, January 15, 2018 (the “ Bid Deadline ”) to submit a (binding) offer (hereinafter called “ Offer ”), which must include a cash deposit equal to 10% of the total purchase price for the Property subject to the Offer (the “ Deposit ”). The Deposit will be refunded in the event an Offer, as submitted, is not accepted by the Proposal Trustee.	On or before 5:00 PM (EST), January 15, 2018
8-9.	Offers are to be made using the Agreement of Purchase and Sale (“ APS ”) template and are to be made without conditions, other than a condition for Court Approval. Offers shall remain open for acceptance by the Proposal Trustee until at least 5:00 pm Eastern Standard Time, Friday January 19, 2018.	On or prior to 5:00pm (EST) January 19, 2018
9-10.	Following the Bid Deadline, the Proposal Trustee will review and assess all Offers received, if any. In order to be a “ Qualified Offer ”, the offer must: <ol style="list-style-type: none"> Be received by the Proposal Trustee no later than the Bid Deadline; Be accompanied with a cash deposit equal to 10% of the consideration in the APS; Contain no conditions other than the requirement that the Proposal Trustee obtain an Approval Order; Contains evidence of the anticipated sources of capital and/or evidence of availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow the Proposal Trustee and its legal and financial advisors, to make, in their reasonable business or professional judgement, a reasonable determination as to the potential bidder’s financial and other capabilities to complete the sale transaction; and <u>Provide for consideration that the Proposal Trustee considers commercially reasonable.</u> 	January 16, 2018
10-11.	If more than one Qualified Offer <u>Offer</u> , as determined pursuant to #9-10 above are received by the Bid Deadline, the Proposal Trustee will conduct an auction involving each of the Qualified Offerors, the procedures for which will be announced no less than 3 days before the date of the auction in order to determine one successful offer (the “ Successful Offer ”). All Qualified Offerors shall be responsible for their own fees and costs relating to any transaction.	January 16, 2018
11-12.	Auction (if necessary) and selection of Successful Offer, <u>which shall be conducted in a manner to be further particularized by the Proposal Trustee in advance of the auction.</u>	January 18, 2018

<u>12-13.</u>	Execution of Binding Agreement with Successful Offer	January 31, 2018
<u>13-14.</u>	Seek Court approval of agreement of purchase and sale and obtain a vesting order ("Approval Order") for sale of the Property on or prior to February 15, 2018	On or prior to February 15, 2018
<u>14-15.</u>	Close sale to successful purchaser on or prior to February 28, 2018	On or prior to February 28, 2018

Note: All capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in the motion material dated October 26, 2017.

| [30836285.2](#)

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

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Barristers and Solicitors
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Fax: (416) 594-2506
ATeodorescu@blaney.com

Lawyers for 1482241 Ontario Limited

EXHIBIT B

This is Exhibit "B" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.

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

David Ullmann



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

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

THE HONOURABLE)	WEDNESDAY, THE 20 th DAY
)	
MR. JUSTICE HAINY)	OF DECEMBER, 2017

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 *inter alia*:

(a) extending the time within which a proposal must be filed to and including February 5, 2018;
 (b) amending certain milestones set out in the Sale Process (as defined below); and (c) authorizing and empowering the Debtor to obtain and borrow under a credit facility in order to repay the realty taxes outstanding with respect to the property municipally known as 240 Duncan Mill Road, Toronto (the “**Property**”) and granting a charge to secure advances under that facility on the terms as set out below, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Alain Checroune, sworn December 12, 2017, the Second Report of Crowe Soberman Inc., in its capacity as Licensed Insolvency Trustee with respect to the Debtor (in such capacity, the “**Proposal Trustee**”), dated December 13, 2017, the Affidavit of Alexandra Teodorescu, sworn December 19, 2017, and on hearing the submissions of counsel for the Debtor and counsel for the Proposal Trustee, and those other parties present, no one

- 2 -

appearing for any other person on the service list, although duly served as appears in the affidavit of service of Alexandra Teodorescu, 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 is properly returnable today and hereby dispenses with further service thereof.

AMENDMENTS TO SALE PROCESS

2. **THIS COURT ORDERS** that the sale solicitation process attached as Appendix "C" to the Order of the Honourable Mr. Justice Hainey, dated November 3, 2017 ("Sale Process"), be and is hereby amended as set out in the Second Report of the Proposal Trustee, dated December 13, 2017.

EXTENSION OF TIME TO FILE PROPOSAL

3. **THIS COURT ORDERS** that the time in which the Debtor is required to file a proposal is hereby extended to and including February 5, 2018.

DIP FINANCING

4. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow under a credit facility from any or all of Dan Realty Corporation, E. Manson Investments Limited and Copperstone Investments Limited (in such capacity, the "Tax DIP Lenders") in order to repay the realty taxes outstanding with respect to the Property, currently estimated at approximately \$1.5 million, plus related fees, interest, penalties and costs.

5. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Debtor and the DIP Lender dated as of December 19, 2017 (the “**Commitment Letter**”), substantially in the form attached to the affidavit of Alexandra Teodorescu, sworn December 19, 2017.

6. **THIS COURT ORDERS** that the Tax DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the “**Tax DIP Lenders’ Charge**”) on the Property which shall have the priority set out in paragraph **10** hereof.

7. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order and any other order made in this proceeding:

- (a) the Tax DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the Tax DIP Lenders’ Charge; and
- (b) the rights and remedies of the Tax DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.

8. **THIS COURT ORDERS AND DECLARES** that the Tax DIP Lenders shall be treated as unaffected in any proposal filed by the Debtor under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Commitment Letter.

9. **THIS COURT ORDERS** that the filing, registration or perfection of the Tax DIP Lenders’ Charge shall not be required, and that the Tax DIP Lenders’ Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered,

recorded or perfected subsequent to the Tax DIP Lenders' Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

10. **THIS COURT ORDERS** that the Tax DIP Lenders' Charge shall constitute a charge on the Property ranking in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise in favour of any Person whether or not served with notice of the application for this Order (collectively, "**Encumbrances**"), including the Administration Charge and the DIP Lender's Charge (as those terms are defined in the Order of Justice Hainey dated November 3, 2017 made in this proceeding).

11. **THIS COURT ORDERS** that the Debtor shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, the Tax DIP Lenders' Charge.

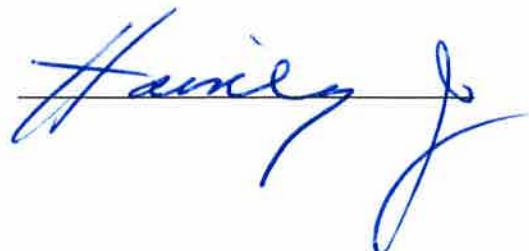
12. **THIS COURT ORDERS** that the Commitment Letter and/or the Tax DIP Lenders' Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Tax DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Debtor, and notwithstanding any provision to the contrary in any Agreement:

- 5 -

- (a) neither the creation of the Tax DIP Lenders' Charge nor the execution, delivery, perfection, registration or performance of the Commitment Letter shall create or be deemed to constitute a breach by the Debtor of any Agreement to which they are a party;
- (b) none of the Tax DIP Lenders shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtor entering into the Commitment Letter or the creation of the Tax DIP Lenders' Charge; and
- (c) the payments made by the Debtor pursuant to this Order, the Commitment Letter, and the granting of the Tax DIP Lenders' Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

GENERAL

13. **THIS COURT HEREBY REQUESTS** the aid and recognition or 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 Debtor, the Proposal Trustee and their respective 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 Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

A handwritten signature in blue ink, appearing to read "Hanley J.", is positioned at the bottom right of the page. The signature is fluid and cursive, with a horizontal line through the middle of the "H" and "J".

IN BANKRUPTCY AND INSOLVENCY
ONTARIO

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

Proceeding commenced at TORONTO

ORDER

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Lawyers for 1482241 Ontario Limited

EXHIBIT C

This is Exhibit "C" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



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

David Ullmann

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY



THE HONOURABLE
 JUSTICE HAINY

)
)
)

FRIDAY, THE 16TH
 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.

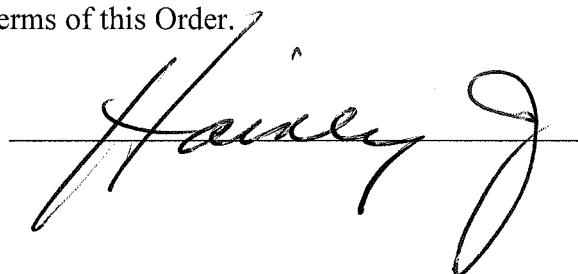
8. **THIS COURT ORDERS** that, notwithstanding:

- (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.

- 6 -

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 "Harvey 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

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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	Expiry Date: May 31, 2019 An amendment was registered on May 31, 2016 to amend the address of the debtor.
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	Expiry Date: June 25, 2019 General Collateral Description: General security agreement

(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

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	Case Number	Case Opened Date	Case Status	Plaintiff/Appellant	Defendant/Respondent	Case Type	Amount	Last Event Result Information
								consent)
6.	CV10004010 730000	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.	CV10004030 670000	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.	CV10004103 300000	Sept. 13, 2010	Active	7063580 Canada Inc.	1482241 Ontario Limited	Construction Lien NN	43,223.50	September 20, 2016 - Motion (unopposed consent)
9.	CV10004163 530000	December 13, 2010	Inactive	Constellation NewEnergy Canada Inc.	1482241 Ontario Limited	Contract law	439,109.51	May 9, 2016 - order case dismissed
10.	CV10004165 170000	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.	CV12004625 420000	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.	CV14005063 050000	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

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	Case Number	Case Opened Date	Case Status	Plaintiff/Appellant	Defendant/Respondent	Case Type	Amount	Last Event Result Information
						c)		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

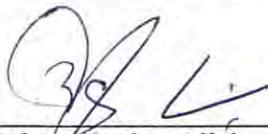
Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
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Email: sgraff@airdberlis.com

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

31934612.4

EXHIBIT D

This is Exhibit "D" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



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

David Ullmann

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

) FRIDAY, THE 16TH
)
)

DAY OF MARCH, 2018

ANCILLARY 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: (a) the first report of the Proposal Trustee dated October 27, 2017 (the “**First Report**”); (b) the supplemental report to the First Report of the Proposal Trustee dated November 2, 2017 (the “**Supplemental Report**”); (c) the second report of the Proposal Trustee dated December 13, 2017 (the “**Second Report**”); (d) the third report of the Proposal Trustee dated February 1, 2018 (the “**Third Report**”); (e) the fourth report of the Proposal Trustee dated March 7, 2018 (the “**Fourth Report**”), (f) the supplement to the Fourth Report dated March 15, 2018 (the “**Supplement to the Fourth Report**” and, collectively with the other reports of the Proposal Trustee referred to herein, the “**Reports**”); (g) the fees and disbursements of the Proposal Trustee’s counsel as reported in the Fourth Report; (h) the distribution of proceeds from the sale of the property located at 240 Duncan Mill Road, Toronto, Ontario (the “**Duncan Mill Property**”) to certain secured creditors; and (i) sealing confidential appendices 1-

5 to the Fourth Report (the “**Confidential Appendices**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Reports and the appendices thereto, the fee affidavit of Steven L. Graff sworn March 7, 2018 (the “**Fee Affidavit**”), the affidavit of Alain Checroune sworn March 13, 2018, the affidavit of Ivan Mitchell Merrow sworn March 14, 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 affidavits of service of Diana Saturno and Diana McMillen sworn March 8, 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 First Report and the activities of the Proposal Trustee described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Supplemental Report and the activities of the Proposal Trustee described therein be and are hereby approved.
4. **THIS COURT ORDERS** that the Second Report and the activities of the Proposal Trustee described therein be and are hereby approved.
5. **THIS COURT ORDERS** that the Third Report and the activities of the Proposal Trustee described therein be and are hereby approved.
6. **THIS COURT ORDERS** that the Fourth Report and the activities of the Proposal Trustee described therein be and are hereby approved.

7. **THIS COURT ORDERS** that the Supplement to the Fourth Report and the activities of the Proposal Trustee described therein be and are hereby approved.

8. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's counsel as described in the Fourth Report and as set out in the Fee Affidavit, be and are hereby approved.

9. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, without further Order of this Court, to distribute amounts received pursuant to the APS (as defined in the Fourth Report), as follows:

- (a) to Dan Realty Corporation, E. Manson Investments Limited and Copperstone Investments Limited (collectively, the "**First Mortgagees**"), on account of the amounts owing to the First Mortgagees by the Debtor in accordance with the charge registered on title to the Duncan Mill Property as Instrument Nos. AT935525 and AT4236037 (the "**First Charge**"), up to the amounts listed in the statement attached as Exhibit D to the Supplement to the Fourth Report, less the amount of \$206,250 for three months interest which shall be withheld by the Proposal Trustee to be dealt with based on the Court's determination of that claim in accordance with paragraph 11 below, provided that the First Mortgagees may seek to recover additional fees in connection with the claim for \$206,250; and
- (b) to the First Mortgagees, on account of the amounts owing to the First Mortgagees by the Debtor in accordance with the Property Tax Dip Loan (as defined in the Fourth Report), as secured by the Tax Dip Lender's Charge (as defined in the Fourth Report), up to the amount of the Debtor's secured indebtedness owing to the First Mortgagees for principal and interest, as secured by the Tax Dip Lender's Charge.

10. **THIS COURT ORDERS** that the Confidential Appendices be, and are hereby, sealed pending the closing of the Transaction (as defined in the Fourth Report) or until further Order of the Court.

11. **THIS COURT ORDERS** that the following issues shall be determined by way of oral argument on March 28, 2018 or as further directed by the Court:

- (a) the claim by the First Mortgagees for \$206,250 for three months' interest;
- (b) the issue of whether the Order of Justice Whitaker dated October 27, 2014 affects the validity and/or enforceability of the Second Charge;
- (c) the issue of the interest rate under the Second Charge as raised by the Debtor; and
- (d) the impact of the DSF Writ (as defined in the Supplement to the Fourth Report), if any, on the amount secured by the Second Charge.

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

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
Proceeding commenced at TORONTO

MOTION RECORD OF 1482241 ONTARIO LIMITED
(Motion to Release Funds, Returnable June 12, 2018)

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

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Lawyers for 1482241 Ontario Limited