

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

**IN THE MATTER OF THE PROPOSAL TO CREDITORS OF  
CONFORTI HOLDINGS LIMITED, A CORPORATION  
INCORPORATED UNDER THE ONTARIO BUSINESS  
CORPORATIONS ACT, R.S.O. 1990, C. B.16**

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**MOTION RECORD  
(approval and vesting order)  
(returnable August 23, 2021)**

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August 13, 2021

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as proposal trustee to the proposal to creditors of  
Conforti Holdings Ltd.

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## **TAB 1**

Notice of motion returnable August 23, 2021

Court/Estate File No. 31-2675593

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

**IN THE MATTER OF THE PROPOSAL TO CREDITORS OF  
CONFORTI HOLDINGS LIMITED, A CORPORATION  
INCORPORATED UNDER THE ONTARIO BUSINESS  
CORPORATIONS ACT, R.S.O. 1990, C. B.16**

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**NOTICE OF MOTION  
(approval and vesting order)  
(returnable August 23, 2021)**

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Crowe Soberman Inc., in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) to the proposal to creditors of Conforti Holdings Limited (the “**Company**”) under the *Bankruptcy and Insolvency Act*, will make a motion to a judge of the Ontario Superior Court of Justice (Commercial List) on August 23, 2021, at 12:01pm (noon) or as soon thereafter as the motion can be heard, by videoconference the details for which are in Schedule “A” hereto.

**THE PROPOSED METHOD OF HEARING:** orally.

**THE MOTION IS FOR** approval and vesting orders in suggested accordance with the draft filed at tab 3 of the motion record, which is substantially per the Commercial List model order, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Company and Cicaplus Ltd. (the “**Purchaser**”) dated May 5, 2021, as amended by an amendment agreement entered into following an auction on July 15, 2021 (the “**Augmented Stalking Horse APA**”), and vesting the assets purchased thereunder, being the Company’s head office owned by the Company and situated at 7755 Warden Avenue, Unit 2, in

Markham (the “**Real Estate**”), in the Purchaser, free and clear of all claims save those permitted encumbrances as more particularly set out in the draft order.

**THE GROUNDS FOR THE MOTION ARE:**

**I. APPROVAL AND VESTING ORDERS**

1. By order dated May 25, 2021 (the “**Stalking Horse Sale Process Order**”), this court approved a stalking horse sale process in respect of the Real Estate and approved the use of the stalking horse sale agreement dated May 5, 2021 between the Purchaser and the Company (the “**Stalking Horse APA**”) for the purpose of serving as the stalking horse offer.
2. The Stalking Horse APA’s consideration was \$3,531,350 consisting of a \$100,000 cash deposit and an assumption of \$3,431,350 in secured debt owing by the Company to (i) Antonio Conforti, the co-owner and principal of the Company (the “**Antonio Conforti Secured Debt**”) and (ii) Beauty Experts Inc. (“**BEI**”), a company owned by Mr. Conforti (the “**BEI Secured Debt**”).
  - a. The Antonio Conforti Secured Debt is in the outstanding amount of \$1,931,350 and stems from Mr. Conforti’s repayment in October of 2020 of the Company’s secured debt to Royal Bank of Canada, as part of which Mr. Conforti took an assignment of the bank’s debt and security.
  - b. The BEI Secured Debt is in the outstanding amount of \$1,500,000 and is on account of pre-filing, unpaid management fees owed by the Company to BEI.
  - c. The Proposal Trustee has obtained an independent legal opinions confirming that, subject to usual assumptions and qualifications, the abovementioned assignment and security interests are valid and enforceable against the Company.

3. The Stalking Horse Sale Process Order provides *inter alia* that the sale process was to be run by the Proposal Trustee. The Proposal Trustee has run the sale process in accordance with the Stalking Horse Sale Process Order.
4. The Proposal Trustee received 7 qualifying bids in addition to the Stalking Horse APA and thus held an auction among the qualified bidders on July 15, 2021. At the conclusion of the auction, the Stalking Horse Bidder was the successful bidder, having submitted the highest bid, being the Augmented Stalking Horse APA.
5. The consideration under the Augmented Stalking Horse APA is \$6,200,000 which is \$2,668,650 higher than that of the initial Stalking Horse APA, payable in cash.
6. The Augmented Stalking Horse APA is otherwise on the same terms as the initial Stalking Horse APA.
7. For those and the reasons more amply set out in the Fifth Report, the Proposal Trustee recommends this court's granting the approval and vesting orders sought in the best interest of stakeholders. The statutory and jurisprudential criteria for approval and vesting are met.

## **II. SEALING ORDER**

8. The sealing order sought is to seal, pending the filing of a Proposal Trustee's certificate confirming that the Transaction has closed to the satisfaction of the Proposal Trustee, an appraisal of the Real Property obtained by the Proposal Trustee at the occasion of the Stalking Horse Sale Process Order, included as confidential appendix "1" to the Fifth Report. A copy of the appraisal was attached as a confidential appendix to a prior report of the Proposal Trustee and is subject to a sealing order on the same terms. A new sealing

order is sought to avoid ambiguity considering that the appraisal is included in a Proposal Trustee's report again. This is *inter alia* to safeguard the integrity of any future sale efforts should the Transaction fail to close for any reason. This relief is typical in sale processes and appropriate here.

### **III. MAIN STATUTORY PROVISIONS APPLICABLE**

9. Section 65.13 of the *Bankruptcy and Insolvency Act* (approval of sale outside of the ordinary course of business and vesting free and clear), section 137(2) of the *Courts of Justice Act* (Ontario) (sealing), and the court's inherent and equitable jurisdiction, as necessary.

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

- a. the Fifth Report, and
- b. such further and other evidence as counsel may advise and this Honourable Court may permit.

**DATE:** August 13, 2021

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Lawyers for Crowe Soberman Inc. in its capacity as proposal trustee to the proposal to creditors of Conforti Holdings Ltd.

**TO: THE SERVICE LIST**

**Schedule “A”**

**Videoconference hearing join-in details**

Join Zoom Meeting

<https://zoom.us/j/93354298013?pwd=QjVha2x0TnRvdnA0VDJsUWRiMXh1dz09>

Meeting ID: 933 5429 8013

Passcode: Wvt6gz

**IN THE MATTER OF THE PROPOSAL TO CREDITORS OF CONFORTI HOLDINGS  
LIMITED, A CORPORATION INCORPORATED UNDER THE ONTARIO BUSINESS  
CORPORATIONS ACT, R.S.O. 1990, C. B.16**

Court File No.: 31-2675593

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**NOTICE OF MOTION  
(approval and vesting order)  
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Lawyers for Crowe Soberman Inc. in its capacity as  
proposal trustee to the proposal to creditors of  
Conforti Holdings Ltd.

## **TAB 2**

Fifth report of the proposal trustee dated August 13, 2021

**Court File No. 31-2675583  
Estate File No. 31-2675583**

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

**IN THE MATTER OF THE PROPOSAL OF CONFORTI HOLDINGS LIMITED  
FIFTH REPORT OF CROWE SOBERMAN INC. IN ITS CAPACITY AS PROPOSAL  
TRUSTEE UNDER THE PROPOSAL OF CONFORTI HOLDINGS LIMITED**

**August 13, 2021**

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ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF CONFORTI HOLDINGS LIMITED

FIFTH REPORT OF CROWE SOBERMAN INC. IN ITS CAPACITY AS PROPOSAL  
TRUSTEE UNDER THE PROPOSAL OF CONFORTI HOLDINGS LIMITED

August 13, 2021

I. INTRODUCTION

1. This report (the “**Fifth Report**”) is filed by Crowe Soberman Inc. (“**Crowe**”) in its capacity as proposal trustee (the “**Proposal Trustee**”), in connection with the Proposal filed by Conforti Holdings Limited (the “**Company**”).
2. The Company’s business was the operation of 52 beauty salons under 10 different trade names in southern Ontario, mostly in rental units in shopping malls and commercial office buildings.
3. The Company filed a Notice of Intention to make a Proposal (“**NOI**”) on September 28, 2020, and Crowe was appointed as Proposal Trustee. The reasons for the Company’s insolvency chiefly include the COVID-19 pandemic and resulting measures affecting mall attendance and personal care and service businesses and are more amply set out in the Proposal Trustee’s prior reports available at [<https://www.crowe.com/ca/crowesoberman/insolvency-engagements/conforti-holdings-limited>].
4. On March 13, 2021 (the “**Filing Date**”), the Company filed its proposal to creditors (the “**Proposal**”). The Proposal was a holding proposal because, in the view of the Company and of the Proposal Trustee, the ongoing pandemic restrictions imposed by the Province of Ontario around the time of the Filing Date made it difficult for the Company to know when it would eventually be able to resume operations and what the scope of those operations would be as customers consider returning to salons.

5. At a meeting of creditors on April 2, 2021, the creditors attending voted in favour of an adjournment of the meeting to October 29, 2021, at 2:00pm, but with approval for the Proposal Trustee to reconvene the meeting earlier if in the Proposal Trustee's opinion, the circumstances of the Company's business have changed such that it is in a position to make a substantive proposal to its creditors.
6. Background information concerning the Company and the events leading up to and including the NOI and Proposal ("Proposal Proceedings") are contained in the fourth report of the Proposal Trustee dated May 14, 2021 ("Fourth Report") and are not repeated herein. A copy of the Fourth Report (without appendices) is attached hereto as **Appendix "A"**.
7. A summary of the key events and orders issued throughout the Proposal Proceedings is as follows:
  - a. On October 26, 2020, the Ontario Superior Court of Justice (Commercial List) (the "Court") issued an order which, among other things:
    - i. approved a first ranking Administration Charge against the assets of the Company to a maximum of \$250,000, to secure payment of the fees and expenses of the Proposal Trustee and its counsel, as well as counsel to the Company;
    - ii. approved a second ranking charge against the assets of the Company in favor of Mr. Conforti (the DIP lender) to a maximum amount of \$500,000;
    - iii. approved a third ranking charge against the assets of the Company to a maximum of \$100,000, to indemnify the Company's Directors and Officers against obligations and liabilities that they may incur as directors or officers of the Company after the commencement of the Proposal Proceedings; and
    - iv. granted an extension of time within which a Proposal must be filed to December 14, 2020;

- b. On December 14, 2020, the Court issued an order granting a further extension of time within which a proposal must be filed to January 28, 2021;
- c. On January 27, 2021, the Court issued an order granting a further extension of time within which a Proposal must be filed to March 13, 2021;
- d. On March 13, 2021, the Company filed the Proposal to creditors;
- e. On April 2, 2021, a meeting of creditors was held to consider the terms of the Proposal and the creditors attending voted in favour of an adjournment of the meeting to October 29, 2021;
- f. On May 14, 2021, the Proposal Trustee filed the Fourth Report (Appendix "A") in support of the Company's request for approval of a stalking horse asset purchase agreement (the "**Stalking Horse APA**") with Cicaplus Ltd. (the "**Stalking Horse Bidder**") to be used in connection with a court-approved stalking horse sale process (the "**Sale Process**") in respect of the Company's head office, owned by the Company, located at 7755 Warden Avenue, Unit 2, Markham, Ontario (the "**Real Property**"). A parcel register for the Real Property, current as of August 12, 2021, is attached hereto as **Appendix "B"**;
- g. On May 25, 2021, the Court issued an order (the "**Stalking Horse Sale Process Order**"), amongst other things, approving the Sale Process and the use of the Stalking Horse APA as the stalking horse bid therein. Copies of the Stalking Horse Sale Process Order, the Sale Process terms, and the Stalking Horse APA are attached hereto as **Appendices "C", "D", and "E"**, respectively; and
- h. As further discussed below and in accordance with the Stalking Horse Sale Process Order, after receiving seven (7) Qualifying Bids in addition to the Stalking Horse APA, the Proposal Trustee held an auction (the "**Auction**") among the Qualified Bidders on July 15, 2021. At the conclusion of the Auction, the Stalking Horse Bidder was the Successful Bidder, having

submitted the highest bid (the “**Augmented Stalking Horse APA**”) at a consideration of \$6,200,000 which is \$2,668,650 higher than that of the initial Stalking Horse APA and of which \$2,668,650 is payable in cash, with the balance consisting of an assumption of related-party debt (the majority of which stemming from a related party’s repayment and assignment of arm’s length, secured debt to Royal Bank of Canada) for which the Proposal Trustee had obtained independent legal opinions confirming, subject to usual assumptions and qualifications, the validity and enforceability (capitalized terms not herein defined are defined in the Stalking Horse Sale Process Order). The terms of the Augmented Stalking Horse APA are otherwise unchanged from those of the Stalking Horse APA.

8. The purpose of this Fifth Report is to provide the Court with information pertaining to the following:
  - a. the Sale Process conducted by the Proposal Trustee in accordance with the May 25 Order and the results of same; and
  - b. the Proposal Trustee’s recommendation that this Court make an order approving the Augmented Stalking Horse APA and vesting title in and to the Real Property in the Stalking Horse Bidder free and clear of all encumbrances save those “Permitted Encumbrances” as defined in the draft approval and vesting order, filed, upon the Proposal Trustee’s filing a certificate confirming that the conditions of closing have been met to the Proposal Trustee’s satisfaction.

## II. TERMS OF REFERENCE

9. Unless otherwise noted, all monetary amounts contained in this Fifth Report are expressed in Canadian dollars.
10. In preparing this Fifth Report, the Proposal Trustee has relied upon certain unaudited internal financial information prepared by the Company's representatives, the Company's books and records and discussions with their management and employees (collectively, the "**Information**"). The Proposal Trustee has not performed an audit or other verification of the Information in a manner that would comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountant of Canada Handbook (the "**CPA Handbook**") and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

## III. THE SALE PROCESS AND THE SUCCESSFUL BID

11. The purpose of the Sale Process approved by the Court pursuant to the Stalking Horse Sale Process Order was to monetize the Real Property through a stalking horse sale process which both ensured a minimum reasonable realization via the Stalking Horse APA and allowed the market to either confirm the reasonableness of the Stalking Horse APA or generate higher offers, the whole in order to assist the Company to submit a viable proposal in the interest of stakeholders or alternatively to crystallize value for stakeholders in the event of a liquidation.
12. The Stalking Horse Sale Process Order approved the use of the Stalking Horse APA, entered into among the Company and the Stalking Horse Bidder, as the stalking horse bid in the Sale Process.
13. As more fully set out in the Fourth Report, the Stalking Horse Bidder is related to the Company and the Stalking Horse APA's consideration was \$3,531,350 consisting of a \$100,000 cash deposit and an assumption of \$3,431,350 in secured debt owing by the Company to (i) Antonio Conforti, the co-owner and principal of

the Company (the “**Antonio Conforti Secured Debt**”) and (ii) Beauty Experts Inc. (“**BEI**”), a company owned by Mr. Conforti (the “**BEI Secured Debt**”).

14. As also more fully set out in the Fourth Report:

- a. the Antonio Conforti Secured Debt is in the outstanding amount of \$1,931,350 and stems from Mr. Conforti’s repayment in October of 2020 of the Company’s secured debt to Royal Bank of Canada, as part of which Mr. Conforti took an assignment of the bank’s debt and security. The Proposal Trustee has obtained an independent legal opinion confirming that, subject to usual assumptions and qualifications, such security is valid and enforceable against the Company and has been validly assigned to Mr. Conforti.
- b. the BEI Secured Debt is in the outstanding amount of \$1,500,000 and is on account of unpaid management fees owed by the Company to BEI (it is the Proposal Trustee’s understanding that Mr. Conforti otherwise receives no salary from the Company for his management services). The post-filing management fees have been paid to BEI in accordance with the contract in place. The Proposal Trustee has obtained an independent legal opinion confirming that, subject to usual assumptions and qualifications, BEI’s security is valid and enforceable against the Company.

15. In light of the above, the terms of the Sale Process were that the Proposal Trustee would administer all aspects of the Sale Process on behalf of the Company. The key aspects of the approved Sale Process were as follows (defined terms used in this section and not otherwise defined herein have the meaning ascribed to them in the Sale Process):

- a. The Proposal Trustee prepared a list of approximately 41 relevant parties identified by the Proposal Trustee with assistance from the Company who may be or may know a party interested in purchasing the Real Property;
- b. The Proposal Trustee contacted/attempted to contact each of the relevant

parties to obtain their consent to provide them with a teaser document (the “**Teaser**”). A copy of the Teaser is attached hereto as **Appendix “F”**.

- c. The Proposal Trustee engaged Harvey Kalles Real Estate Ltd., Brokerage (the “**Realtor**”), to market the Real Property and arrange for the listing to be posted on the Multiple Listing Service (“**MLS**”);
- d. The Real Property was listed on the MLS on June 1, 2021, for \$3,681,350 which was the minimum offer amount that a potentially interested purchaser could bring forth to be considered a Qualified Bidder under the terms of the Sale Process;
- e. On May 28, 2021, the Proposal Trustee published a notice, advertising the opportunity in the National Post. A copy of the publication is attached hereto as **Appendix “G”**;
- f. During the period from June 3 to July 8, 2021, there were approximately 74 viewings of the Real Property by brokers, and other interested parties that requested a viewing. Details of the viewings are attached hereto as **Appendix “H”**;
- g. 29 interested parties wished to commence due diligence and executed a non-disclosure agreement (“**NDA**”);
- h. Upon execution of the NDA, the Proposal Trustee provided access to the electronic data room which was maintained by the Proposal Trustee. The data room was populated by the Proposal Trustee with the assistance of the Company and the Realtor;
- i. Offers to purchase the Real Property were due to be submitted in writing to and received by the Proposal Trustee by no later than 5:00pm (Toronto time) on July 9, 2021 (the “**Bid Deadline**”);
- j. The Proposal Trustee carefully assessed all Bids received and determined that there were 7 Qualified Bids/Bidders at the Bid Deadline (not including

the Stalking Horse Bidder);

- k. Qualified Bidders were invited to attend the Auction which took place on July 15, 2021. The Auction Terms and Bid Form and Amendment to Stalking Horse Asset Purchase Agreement (the “**Auction Materials**”) were sent to all Qualified Bidders on July 13, 2021. The Auction Materials are attached hereto as **Appendix “I”**; and
- l. At the conclusion of the Auction, the Stalking Horse Bidder was the Successful Bidder, having submitted the highest bid through the Augmented Stalking Horse APA with a consideration of \$6,200,000, which is \$2,668,650 higher than that of the initial Stalking Horse APA and of which \$2,668,650 is payable in cash. The terms of the Augmented Stalking Horse APA are otherwise unchanged from those of the Stalking Horse APA. A copy of the Augmented Stalking Horse APA and the Stalking Horse Bidder’s Bid Form and Amendment to Stalking Horse Asset Purchase Agreement as well as the Stalking Horse APA that it amends is attached hereto as **Appendix “J”**.

#### **IV. AUGMENTED STALKING HORSE APA**

16. The Augmented Stalking Horse APA is on an “as is, where is” basis. The consideration payable totals \$6,200,000 and is a combination of the following:

- I. \$100,000 cash deposit which was paid to the Proposal Trustee upon acceptance of the Stalking Horse APA;
- II. an assumption of:
  - i. the Antonio Conforti Secured Debt totaling \$1,931,350; and
  - ii. the BEI Secured Debt totaling \$1,500,000;
- III. and a further \$2,668,650 payable in cash to the Proposal Trustee.

17. As noted in the Fourth Report, the Proposal Trustee had obtained an independent appraisal of the value of the Real Property to consider the appropriateness of the Stalking Horse APA. The appraisal is dated May 10, 2021. A copy if it was provided as Confidential Appendix "1" to the Fourth Report and is attached as Confidential Appendix "1" to this report for ease of reference. The appraisal was sealed when included with the Fourth Report pending a sale of the Real Property, and if necessary, the Proposal Trustee requests that it be sealed as part of the Fifth Report on the same basis.
18. Having regard to the appraisal and the aforementioned independent legal opinions, and for the other reasons more fully set out in the Fourth Report (Appendix "A"), the Proposal Trustee recommended the approval of the Stalking Horse APA to serve as the stalking horse bid in the Sale Process. But for the additional Qualified Bids, the Auction and the Augmented Stalking Horse APA and save any material change of circumstances, the Proposal Trustee would have moved to the court for an approval and vesting order in respect of the Stalking Horse APA, in accordance with the terms of the Stalking Horse Sale Process Order and would have recommended that the court issue such order.
19. Considering that the Augmented Stalking Horse APA is on the same terms as the Stalking Horse APA but with a consideration that is \$2,668,650 higher with this amount payable in cash, the Proposal Trustee respectfully moves for and recommends the issuance of an approval and vesting order in respect of the Augmented Stalking Horse APA, which is the Successful Bid in accordance with the terms of the Stalking Horse Sale Process Order.
20. The Stalking Horse Sale Process Order has been complied with and the terms of the Augmented Stalking Horse APA are independently reasonable, representing the best offer located and locatable in the circumstances for the Real Property. The Proposal Trustee believes that the Augmented Stalking Horse APA represents a successful monetization of the Real Property and vacates two substantial secured debts from the estate along with the attendant debt servicing costs as

more fully set out in the Fourth Report. Its approval is therefore an important step towards a viable proposal and is in the best interest of stakeholders.

21. The Proposal Trustee has inquired into the Stalking Horse Bidder's ability to close the transaction and pay the cash consideration, and is satisfied of the Stalking Horse Bidder's ability to close the transaction forthwith after the issuance of the sought approval and vesting order. Such is the only material outstanding condition for closing.

## **CONCLUSION AND RECOMMENDATIONS**

22. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honorable Court grant an Order, approving the Augmented Stalking Horse APA and vesting title in and to the Real Property in the Stalking Horse Bidder free and clear of all encumbrances save those "Permitted Encumbrances" as defined in the draft approval and vesting order, filed, upon the Proposal Trustee's filing a certificate confirming that the conditions of closing have been met to the Proposal Trustee's satisfaction.

All of which is respectfully submitted this 13<sup>th</sup> day of August 2021.

**CROWE SOBERMAN INC.**

Trustee acting under the Proposal of Conforti Holdings Limited



# **Appendix “A”**

**Court File No. 31-2675583  
Estate File No. 31-2675583**

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
CONFORTI HOLDINGS LIMITED**

**FOURTH REPORT OF CROWE SOBERMAN INC. IN ITS CAPACITY AS PROPOSAL  
TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
CONFORTI HOLDINGS LIMITED**

**May 14, 2021**

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ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
CONFORTI HOLDINGS LIMITED

FOURTH REPORT OF CROWE SOBERMAN INC. IN ITS CAPACITY AS PROPOSAL  
TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
CONFORTI HOLDINGS LIMITED

May 14, 2021

I. INTRODUCTION

1. This report (the “**Fourth Report**”) is filed by Crowe Soberman Inc. (“**Crowe**”) in its capacity as proposal trustee (the “**Proposal Trustee**”), in connection with the Notice of Intention to Make a Proposal (“**NOI**”) proceedings by Conforti Holdings Limited (“**Conforti**” or the “**Company**”).
2. Conforti is a privately held Ontario corporation that, as at the date of the NOI filing, operated 51 beauty salons under 10 different trade names in Southern Ontario. All of the Company’s salons are located in rental units in shopping malls and commercial office buildings across Southern Ontario with the exception of one salon that is located in an outdoor shopping plaza in Collingwood, Ontario.
3. The Proposal Trustee understands that the business was started by Mr. Antonio Conforti (“**Mr. Conforti**”) in 1977 and has been a family-owned operated business for more than 44 years. The directors of the Company are Mr. Conforti and Ms. Sylvia Conforti.
4. The Company’s head office is located at 7755 Warden Avenue, Unit 2, Markham, Ontario and is owned by the Company (the “**Real Property**”).
5. On September 28<sup>th</sup>, 2020 (the “**Filing Date**”), the Company filed an NOI and Crowe was appointed as Proposal Trustee.

6. On October 26, 2020, the Ontario Superior Court of Justice (Commercial List) (the **Court**) issued a court order (the **“October 26 Order”**) which, among other things:
  - a. approved a first-ranking Administration Charge against the assets of the Company to a maximum of \$250,000, to secure payment of the fees and expenses of the Proposal Trustee and its counsel, as well as counsel to the Company;
  - b. approved a second-ranking charge against the assets of the Company in favor of Mr. Conforti (the DIP lender) to a maximum amount of \$500,000;
  - c. approved a third-ranking charge against the assets of the Company to a maximum of \$100,000, to indemnify the Company’s Directors and Officers against obligations and liabilities that they may incur as directors or officers of Conforti after the commencement of the Proposal Proceedings; and
  - d. granted an extension of time within which a Proposal must be filed to December 14, 2020 (the **“First Stay Extension”**).
7. On December 14, 2020, the Court issued a court order (the **“December 14 Order”**) granting a further extension of time within which a Proposal(s) must be filed to January 28, 2021 (the **“Second Stay Extension”**). A copy of the December 14 Order is attached hereto as **Appendix “A”**.
8. The Proposal Trustee filed its Second Report dated December 9, 2020 (the **“Second Report”**) with the Court in support of the December 14 Order. A copy of the Second Report, without appendices is attached hereto as **Appendix “B”**.
9. The Proposal Trustee filed a supplementary report to its Second Report dated December 14, 2020 (the **“Supplementary Report”**) with the Court. The purpose of the Supplementary Report was to provide information regarding the effects to the Company from further lockdown restrictions and store closures that were imposed by the Ontario Government as a result of the COVID-19 Pandemic. A copy of the Supplementary Report is attached hereto as **Appendix “C”**.

10. On January 27, 2021 the Court issued a further order extending the time within which a Proposal must be filed to March 15, 2021 (the “**Third Stay Extension**”), a copy of which is attached as **Appendix “D”**. The Proposal Trustee’s Third Report dated January 25, 2021 filed in connection with that hearing is attached as **Appendix “E”** without appendices.
11. On March 13, 2021, Conforti filed its proposal to creditors (the “**Proposal**”). A copy of the Proposal and the package that was sent by the Proposal Trustee to the creditors is attached as **Appendix “F”**.
12. The Proposal was a holding proposal because in the view of the Company and of the Proposal Trustee the ongoing pandemic restrictions imposed by the Province of Ontario make it difficult for Conforti to know when it will be able to resume operations and, when it does, what the scope of those operations will be as customers consider returning to salons.
13. At a meeting of creditors on April 1, 2021, the creditors attending voted in favour of an adjournment of the meeting to October 29, 2021 at 2:00pm, but with approval for the Proposal Trustee to reconvene the meeting on an earlier date if, in the Proposal Trustee’s opinion, the circumstances of Conforti’s business have changed such that it is in a position to make a substantive proposal to its creditors.
14. The purpose of this Third Report is to provide the Court with information pertaining to the following:
  - a. the activities of the Company and the Proposal Trustee since the filing of the Proposal;
  - b. further financial challenges experienced by the Company since the Proposal, as a result of the ongoing COVID-19 Pandemic;
  - c. various matters concerning the ongoing business and affairs of the Company;

- d. an overview of the Company's cash flow projections for the remainder of 2021 (the "**Cash Flow Projections**"), which are attached as **Appendix G**"; and
- e. the Company's request for approval of a stalking horse asset purchase agreement (the "**Stalking Horse APA**") with Cicaplus Ltd. (the "**Purchaser**") to be used in connection with a stalking horse sale process in respect of the Real Property.

## **II. TERMS OF REFERENCE**

- 15. Unless otherwise noted, all monetary amounts contained in this Third Report are expressed in Canadian dollars.
- 16. In preparing this Fourth Report, the Proposal Trustee has relied upon certain unaudited internal financial information prepared by the Company's representatives, the Company's books and records and discussions with their management and employees (collectively, the "**Information**"). The Proposal Trustee has not performed an audit or other verification of the Information in a manner that would comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountant of Canada Handbook (the "**CPA Handbook**") and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

## **III. THE NOI AND PROPOSAL PROCEEDINGS**

### **Overview of Conforti's Activities**

- 17. Since the Third Stay Extension was granted on January 27, 2021, Conforti has been engaged in, among other things:
  - a. communicating with the Proposal Trustee and the Company's legal counsel on various matters in connection with the NOI proceedings;

- b. negotiating with its landlords in respect of lease payments during the NOI proceedings;
- c. negotiating with the Company's trade suppliers to ensure the timely and ongoing supply of goods and services to the Company;
- d. attending to numerous inquiries of creditors, landlords, and other stakeholders;
- e. applying for the Government of Canada's commercial rent subsidy program;
- f. operating Conforti's remaining 42 salons prior to the Lockdown (defined below);
- g. formulating the Proposal with the assistance of the Proposal Trustee;
- h. working with the Proposal Trustee to prepare the Cash Flow Projections; and
- i. reviewing the ongoing operations of the Company including whether there are any expenses that can be reduced in order to preserve the Company's cash flow as much as possible during the pandemic restrictions, which has led to the Stalking Horse APA as discussed further below.

### **Overview of the Proposal Trustee's Activities**

18. In addition to assisting Conforti and its legal counsel in connection with the above, the Proposal Trustee has been engaged in, among other things:

- i. monitoring the Company's bank balance, and considering whether it approximated the Company's cash flow projections filed as part of the Second Report;
- ii. communicating with the Company and Mr. Conforti and their respective counsel, regarding a potential sale of the Real Property;

- iii. maintaining the Proposal Trustee's website for these proceedings;
- iv. mailing the Proposal and creditor package to Conforti's creditors on March 17, 2021;
- v. holding the meeting of creditors on April 1, 2021;
- vi. assisting the Company in the preparation of the Cash Flow Projections and reviewing the information and support provided therein; and
- vii. preparing this Fourth Report.

### **Further Financial Challenges due to the COVID-19 Pandemic**

- 19. The Stay At Home Order made by the Province of Ontario on December 21, 2020, to take effect on December 26, 2020, as previously discussed in the Third Report, was followed by further restrictions announced by the Province. The municipalities where Conforti's salons are located remained in the grey colour designation following the expiry of that Order on February 11, 2021, which required Conforti's salons to remain closed. The further provincial restrictions announced on April 8, have continued that state of affairs and are by their terms in effect until June 2, 2021.
- 20. The complete closure of all of Conforti's salons as a result of these restrictions has further compounded Conforti's financial difficulties by significantly reducing the Company's cash flow. Moreover, as a result of these restrictions, most of Conforti's 500 employees who worked at the Company's head office and salons as stylists, estheticians, and front desk personnel remain on layoff.
- 21. These restrictions and the expected persistence of the pandemic for the foreseeable future have also complicated Conforti's efforts to develop a substantive proposal to its creditors. They have not only constrained the Company's current cash flows but have also made it difficult to predict future cash flows because of the uncertainty associated with when salon operations will be permitted to resume, what limitations there may be on such operations, and what

the customer reaction to returning to salons, and the indoor malls in which most of Conforti's salons are located, both when restrictions are eased and also on a longer-term basis thereafter.

22. Conforti has, with the Proposal Trustee's assistance, developed projections of the Company's expected revenue, expenses and resulting cash flow for the remainder of 2021, which are the Cash Flow Projections noted above and attached as Appendix "G".

#### **IV. THE STALKING HORSE APA**

##### **Background to the agreement**

23. As noted in the Third Report, the Company had previously begun discussions with the Proposal Trustee about the possible disposition of the Real Property.

24. The ongoing restrictions on salon operations accelerated those discussions with a view to attempting to streamline Conforti's expenses in order to hopefully weather the pandemic restrictions and be in a position to resume operations when permitted.

25. Conforti has determined that a sale of the Real Property will reduce its ongoing cash expenditures. The Purchaser is related to Conforti and Mr. Conforti and, as is further discussed below, making an offer to purchase the Real Property on the basis of assumption of all of the secured debt owing by Conforti. This benefit of reducing Conforti's debt load thereby advantages the remaining creditors.

##### **The terms of the Stalking Horse APA and sale process**

26. A copy of the Stalking Horse APA is attached as **Appendix "H"**.

27. The following is a summary of the salient terms of the Stalking Horse APA:

- a. the purchase price consists of a combination of a \$100,000 cash deposit, and an assumption of \$3,431,350 of debt owing by Conforti to its certain of its secured creditors, who are related parties (discussed further below);

- b. the purchase is on an “as is, where is” basis;
- c. the Proposal Trustee will administer the sale process;
- d. the sale process will involve:
  - i) the Proposal Trustee engaging a broker to list the Real Property on the MLS system by June 1, 2021;
  - ii) the Proposal Trustee publishing an advertisement of the sale opportunity in the National Post on or before June 1, 2021;
  - iii) the Proposal Trustee sending a teaser package to target entities by June 4, 2021;
  - iv) the Proposal Trustee operating a data room that interested potential purchasers will have access to upon signing a non-disclosure agreement;
  - v) competing bids being due by 5:00pm on July 9, 2021;
  - vi) competing bids will need to: (a) exceed the purchase price of the Stalking Horse APA by \$150,000; (b) be all-cash (unless consent from Conforti’s secured creditors to an assumption of the debt owing to them has been provided); (c) be accompanied by a 10% deposit; and (d) remain open for acceptance for five days after June 25, 2021;
  - vii) if there are any competing bids, the Proposal Trustee will hold an auction on terms in its discretion; and
  - viii) if there are no competing bids, then the Proposal Trustee will bring a motion for approval of the sale of the Real Property to the Purchaser.

28. The Proposal Trustee has requested that the overbid amount be \$150,000 as noted in paragraph 27(vi)(a) in order to ensure that the estate of Conforti will still

see a higher recovery on any competing bids where a commission will then be payable to a broker.

### **The credit portions of the price in the Stalking Horse APA**

29. The secured debt that is part of the purchase price under the Stalking Horse APA is owed to two creditors that are both related to Conforti. The first is Antonio Conforti who, along with his wife, is the owner of Conforti and is also the assignee of the loan and security previously held by Royal Bank of Canada. The second is Beauty Experts Inc. (“**BEI**”), which is a company also owned by Mr. Conforti.
30. The loan and security previously held by Royal Bank of Canada and assigned to Mr. Conforti is evidenced by the documentation attached as **Appendix “I”**. Counsel to the Proposal Trustee has reviewed this documentation and has provided the Proposal Trustee with an opinion that, subject to usual assumptions and qualifications, this security is valid and enforceable against Conforti and has been validly assigned to Mr. Conforti.
31. The Proposal Trustee has been advised by Conforti that the documents evidencing the amounts owing to BEI and the security that it holds are attached as **Appendix “J”**. These documents indicate that BEI took security in 2010, but Conforti advises that this security interest was not registered until February 2021. The Proposal Trustee has been advised by the Company that the non-registration of the 2010 security was due to an oversight by the Company’s counsel at the time in 2010.
32. The amounts owing to BEI are fees for the management services of Mr. Conforti-- who currently receives no salary from Conforti--that were unpaid for the period from April 1, 2018 to September 30, 2020. Those fees have been paid since September 30, 2020 as has been disclosed in the cash flow statements prepared by the Company and filed in this proceeding.
33. Counsel to the Proposal Trustee has reviewed the BEI documentation and has provided the Proposal Trustee with an opinion that, subject to usual assumptions and qualifications, this security is valid and enforceable against Conforti.

### **The value of the Real Property**

34. The Proposal Trustee has obtained an independent appraisal of the value of the Real Property in order to consider the appropriateness of the Stalking Horse APA. A copy of that appraisal is attached as **Confidential Appendix “1”**. The Proposal Trustee asks that this confidential appendix be sealed pending the conclusion of a transaction to sell the Real Property as evidenced by a certificate from the Proposal Trustee.

35. Having regard to the appraisal, the Proposal Trustee believes that the purchase price in the Stalking Horse APA is reasonable and would represent an appropriate result for the creditors of Conforti. The Proposal Trustee also believes that the market exposure of the Real Property will determine whether or not a higher price can be achieved.

### **Benefit to the creditors of Conforti**

36. The Proposal Trustee has reviewed with Conforti the economic basis and benefits of selling the Real Property on the basis of the Stalking Horse APA.

37. If no competing bid is received, the principal benefits to the creditors of Conforti will be as follows:

- a. prior ranking secured indebtedness will be effectively repaid, thereby improving the position of subordinate creditors in any proposal or liquidation; and
- b. the operating costs of Conforti will be lowered by approximately \$25,389 per month as follows:

	Monthly	Annual
<b>Building Costs:</b>		
Insurance	776	9,312
Condo fees	1,400	16,800
Taxes	3,313	39,756
Utilities	3,500	42,000
Repairs and Maintenance	2,100	25,200
Warehouse staff	4,300	51,600
	<u>15,389</u>	<u>184,668</u>
<b>Interest Payable:</b>		
Mortgage Interest RBC	7,500	90,000
Accrued interest (BE) at 6%	7,500	90,000
	<u>15,000</u>	<u>180,000</u>
<b>Current Cost</b>	<b><u>30,389</u></b>	<b><u>364,668</u></b>
Estimated rent for office / warehouse		
Office Area	2,500	
Warehouse	2,500	
	<u>5,000</u>	<u>60,000</u>
Estimated net savings	25,389	<b><u>304,668</u></b>

The savings are the result of the elimination of monthly carrying costs and interest owing under the secured loans assumed by the Purchaser. The Company will then rent only a portion of the office space and warehouse at the Real Property.

- c. Further analysis of the financial impact of the sale of the Real Property is detailed in the 7 Month Cash Flow Projections attached as Appendix "G". For Cash Flow Projection, the Company used its sales and expense data from 2020 when the stores were allowed to reopen after the first lockdown due to the Covid-19 pandemic in June of 2020. The following is a summary of the cash flow:

7 Month Cash Flow	Total
<b>Total Cash-in</b>	<b>11,052,149</b>
<b>Total Cash-out</b>	<b>11,407,682</b>
<b>Net Cash inflow (outflow)</b>	<b>(355,532)</b>
<b>Opening cash balance</b>	<b>655,483</b>
Net Cash (Deficit)	(355,532)
<b>Closing cash</b>	<b>299,950</b>

Based on this analysis, the net savings from the sale of the Real Property over seven months totals \$177,723. The savings will be a significant factor in keeping the Company cash flow positive when the salons are re-opened after the lockdown.

- d. The Company believes that bringing customers back to the salons will take longer than expected, as the customers are loyal to specific hairstylists. The ability of the Company to re-hire the hairstylists that have been laid-off since the lockdowns will take much longer than expected, as many of the hairstylists had to find alternative employment. The savings from the sale of the Real Property will help the Company through what is expected to be a prolonged time frame of bringing back the hairstylists and customers to the salons.

## V. CONCLUSION AND RECOMMENDATIONS

- 38. The Proposal Trustee is of the view that the Stalking Horse APA is reasonable in the circumstances and would benefit Conforti and its stakeholders if allowed to form the basis of a stalking horse sale process in accordance with the sale process defined therein.
- 39. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honorable Court grant the Orders sought by the Company:

- a. approving the Fourth Report and the conduct and activities of the Proposal Trustee described herein; and
- b. approving the Stalking Horse APA to act as a stalking horse bid and approving the sale process described therein.

All of which is respectfully submitted this 14<sup>th</sup> day of May 2021.

**CROWE SOBERMAN INC.**

Trustee acting under a Notice of Intention to Make a Proposal of  
Conforti Holdings Limited

A handwritten signature in blue ink, appearing to be the letters 'B' and 'Z' joined together.

# **Appendix “B”**

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

**PROPERTY DESCRIPTION:** UNIT 2, LEVEL 1, YORK REGION STANDARD CONDOMINIUM PLAN NO. 1092 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 17 PL M1915, PTS 1 & 2 65R29659, MARKHAM; S/T & T/W AS SET OUT IN SCHEDULE 'A' OF DECLARATION YR1022011

**PROPERTY REMARKS:**
**ESTATE/QUALIFIER:**

 FEE SIMPLE  
 ABSOLUTE

**RECENTLY:**

CONDOMINIUM FROM 02990-0084

**PIN CREATION DATE:**

2007/07/26

**OWNERS' NAMES**

CONFORTI HOLDINGS LIMITED

**CAPACITY SHARE**

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2007/07/26 **					
LA803357	1979/10/02	NO SUB AGREEMENT			THE CORPORATION OF THE TOWN OF MARKHAM	C
YR157161	2002/06/12	NOTICE		THE CORPORATION OF THE TOWN OF MARKHAM	TALISKER (100 GOUGH) GP INC.	C
		REMARKS: DEVELOPMENT AGREEMENT				
YR159402	2002/06/17	APL ANNEX REST COV		TALISKER (100 GOUGH) GP INC.		C
		REMARKS: EFFECTS PT BLK 17, PL M1915 PTS 1 AND 2, 65R24929 NO EXPIRY DATE				
YR780308	2006/02/22	NOTICE		THE CORPORATION OF THE TOWN OF MARKHAM	2067043 ONTARIO INC.	C
		REMARKS: SITE PLAN CONTROL AGT				
YR921812	2006/12/07	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 2067043 ONTARIO INC.	LAURENTIAN BANK OF CANADA	
YR921813	2006/12/07	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** 2067043 ONTARIO INC.	LAURENTIAN BANK OF CANADA	
		REMARKS: YR921812				
YR987438	2007/05/18	TRANSFER EASEMENT	\$2	2067043 ONTARIO INC.	THE CORPORATION OF THE TOWN OF MARKHAM	C
YR987439	2007/05/18	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** LAURENTIAN BANK OF CANADA	THE CORPORATION OF THE TOWN OF MARKHAM	
		REMARKS: YR921812 TO YR921813 -- REMARK INCORRECT - S/B YR921812 TO YR987438				
YRCP1092	2007/07/23	PLAN CONDOMINIUM				C
YR1022011	2007/07/23	DECLARATION CONDO		2067043 ONTARIO INC.		C
YR1031658	2007/08/07	CONDO BYLAW/98		YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1092		C
		REMARKS: BY-LAW NO. 1				
YR1037492	2007/08/16	TRANSFER	\$2,558,089	2067043 ONTARIO INC.	SALON DISTRIBUTION INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR1065376	2007/10/03	CHARGE		*** COMPLETELY DELETED *** SALON DISTRIBUTION INC.	ROYAL BANK OF CANADA	
YR1067576	2007/10/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** LAURENTIAN BANK OF CANADA		
		REMARKS: RE: YR921812				
YR1071758	2007/10/17	NOTICE		*** COMPLETELY DELETED *** SALON DISTRIBUTION INC.	ROYAL BANK OF CANADA	
		REMARKS: YR1065376				
YR2370996	2015/10/14	APL CH NAME OWNER		SALON DISTRIBUTION INC.	CONFORTI HOLDINGS LIMITED	C
YR2371395	2015/10/14	CHARGE	\$2,500,000	CONFORTI HOLDINGS LIMITED	ROYAL BANK OF CANADA	C
YR2373912	2015/10/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		REMARKS: YR1065376.				
YR3156106	2020/10/16	TRANSFER OF CHARGE		ROYAL BANK OF CANADA	CONFORTI, ANTONIO	C
		REMARKS: YR2371395.				

# **Appendix “C”**

District: Ontario  
Division No. 09-Toronto  
Court No.: 31-2675583  
Estate No. 31-2675583

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

THE HONOURABLE MADAM  
JUSTICE CONWAY

TUESDAY, THE 25TH  
DAY OF MAY, 2021

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
CONFORTI HOLDINGS LIMITED**



## ORDER

## **(Approval of Stalking Horse Sales Process and Stalking Horse APA)**

THIS MOTION, made by Conforti Holdings Limited ("Conforti") for an order approving the stalking horse sales process substantially in the form attached as Schedule "A" hereto (the "**Stalking Horse Sales Process**") and (ii) approving the Stalking Horse APA (defined below), was heard this day by videoconference due to the COVID-19 pandemic.

**ON READING** the Affidavit of Antonio Conforti, sworn May 7, 2021, the Report of Crowe Soberman Inc., in its capacity as Proposal Trustee of Conforti (the “**Proposal Trustee**”), dated May 14, 2021 (the “**Fourth Report**”), and on hearing the submissions of counsel for the Proposal Trustee, counsel for Conforti, and counsel for those other

parties appearing as indicated by the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed,

## **DEFINED TERMS**

1. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Stalking Horse APA, and the Stalking Horse Sales Process.

## **SERVICE**

2. **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.

## **STALKING HORSE SALES PROCESS**

3. **THIS COURT ORDERS** that the Stalking Horse Sales Process (subject to any amendments thereto that may be made in accordance therewith and as may be agreed to by the Proposal Trustee) is hereby approved.

4. **THIS COURT ORDERS** that the Proposal Trustee and its advisors are hereby authorized and directed to carry out the Stalking Horse Sales Process and to take such steps and execute such documentation as may be necessary or incidental to the Stalking Horse Sales Process, subject to the terms of the Stalking Horse Sales Process and prior approval of this Court being obtained before completion of any transactions under the Stalking Horse Sales Process.

5. **THIS COURT ORDERS** that the Proposal Trustee and Conforti, and their respective assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the Stalking Horse Sales Process, except to the extent of such losses, claims, damages, or liabilities arising or resulting from the gross negligence or wilful misconduct of the Proposal Trustee or Conforti, as applicable, as determined by this Court.

### **STALKING HORSE APA**

6. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by Conforti of the Stalking Horse Asset Purchase Agreement, dated as of May 5, 2021 (the “**Stalking Horse APA**”) between Conforti, as Vendor, and Cicaplus Ltd., as Stalking Horse Bidder, substantially in the form attached as Appendix “H” to the Fourth Report is hereby ratified, authorized and approved, provided, however, that nothing herein approves the sale or the vesting of the Purchased Assets to the Stalking Horse Bidder pursuant to the Stalking Horse APA, and that the approval of the sale and vesting of such assets shall be considered by this Court on a subsequent motion to this Court following completion of the sale process pursuant to the terms of the Stalking Horse Sales Process if the Stalking Horse Bidder is the Successful Bidder.

7. **THIS COURT ORDERS** that the Stalking Horse APA is hereby approved and accepted solely for the purposes of being the Stalking Horse Bid under the Stalking Horse Sales Process and subject to the further Order of the Court referred to in paragraph 6 above.

## APPROVAL OF REPORT

8. **THIS COURT ORDERS** that the Fourth Report, together with the conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved.

## SEALING ORDER

9. **THIS COURT ORDERS** that Confidential Appendix "1" to the Fourth Report be and is hereby sealed from the public court file subject to further order of the Court.

## GENERAL

10. **THIS COURT ORDERS** that the Proposal Trustee or Conforti may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their power and duties under this Order or under the Stalking Horse Sales Process

11. **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, Conforti 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 Conforti and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist Conforti and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.

Conway.

# **Appendix “D”**

**SCHEDULE "A"**

**STALKING HORSE SALES PROCESS**

**Schedule “A”****STALKING HORSE SALES PROCESS****Bidding Procedures**

On September 28, 2020, Conforti Holdings Limited (the “**Vendor**”) filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.3, as amended and Crowe Soberman Inc. was appointed proposal trustee (the “**Proposal Trustee**”).

Set forth below are the bidding procedures (the “**Bidding Procedures**”) to be employed with respect to the solicitation of any sale of the property municipally known as 7755 Warden Avenue, unit 2, level 1, Markham, Ontario L3R 0N3 (the “**Purchased Assets**”) pursuant to a Court approved sale process in the Vendor’s proposal proceedings.

On May 25, 2021, the Court issued an order (the “**Sale Process Order**”), among other things, (i) authorizing the Proposal Trustee to commence a sale process (the “**Sale Process**”) to market and sell the Purchased Assets in accordance with these Bidding Procedures, and (ii) approving the asset purchase agreement dated May 5, 2021 (the “**Stalking Horse APA**”) between the Vendor and Cicaplus Ltd. (the “**Stalking Horse Bidder**”) as a “stalking horse” bid in the Sales Process (the “**Stalking Horse Bid**”).

Subject to Court availability and the terms hereof, within ten (10) business days following the selection of the Successful Bidder (as defined herein), the Vendor shall bring a motion seeking the granting of an order by the Court (the “**Approval and Vesting Order**”) authorizing the Vendor to proceed with the sale of the Purchased Assets to the Qualified Bidder (as defined herein) making the highest or otherwise best bid (the “**Successful Bid**”) pursuant to these Bidding Procedures (the “**Successful Bidder**”).

**Opportunity**

1. The Sale Process is intended to solicit offers for the Purchased Assets that are superior to the Stalking Horse Bid. The Proposal Trustee will be responsible for conducting the Sale Process and an auction (the “**Auction**”), if applicable.
2. Any sale of the Purchased Assets will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Proposal Trustee, the Vendor, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Vendor in and to the Purchased Assets to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.
3. Except as otherwise provided in the Stalking Horse APA or another Successful Bidder’s ultimate definitive purchase agreement, and subject to any permitted encumbrances therein, all of the Vendor’s right, title and interest in and to the Purchased Assets shall be sold free and clear of all liens and encumbrances pursuant to the Approval and Vesting Order.

**Solicitation of Interest: Notice of Sale Process**

4. As soon as is reasonably practicable and, in any event, by no later than June 1, 2021:
  - (a) the Proposal Trustee will cause the Purchased Assets to be listed for sale on the Multiple Listing Service with a real estate broker;
  - (b) the Proposal Trustee will prepare a list of potential bidders, including: (i) parties that have approached the Vendor or the Proposal Trustee indicating an interest in the Purchased Assets; and (ii) strategic and financial parties who the Proposal Trustee believes may be interested in purchasing the Purchased Assets (the "**Known Potential Bidders**");
  - (c) the Proposal Trustee shall advertise for sale the Purchased Assets in **The National Post (National Edition)**;
  - (d) the Proposal Trustee will prepare a summary (the "**Teaser**") describing the Purchased Assets, outlining the Sale Process and inviting recipients of the Teaser to express their interest pursuant to the Sale Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee ("**NDA**").
5. The Proposal Trustee will send the Teaser to all Known Potential Bidders by no later than June 4, 2021 and to any other party who requests a copy of the Teaser, or who is identified to the Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

**Due Diligence**

6. Any party who wishes to participate in the Sale Process (a "**Prospective Purchaser**") must provide the Proposal Trustee with an executed NDA and written confirmation of the identity of the Prospective Purchaser, and the contact information for such Prospective Purchaser.
7. The Proposal Trustee shall make available to those Prospective Purchasers who have signed an NDA and provided the requisite written confirmation and contact information access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers, unless the Proposal Trustee determines such person is unlikely, based on the availability of financing, experience and other considerations, to be able to consummate a sale pursuant to the Sale Process. The Stalking Horse Bidder may have access to the data room.
8. Prospective Purchasers must rely solely on their own independent review, investigation and/or inspection of all information and of the Purchased Assets in connection with their participation in the Sale Process and any transaction they enter into with the Vendor.

**Qualified Bids**

9. Any offers to purchase the Purchased Assets must be submitted in writing to and received by the Proposal Trustee at Crowe Soberman Inc., 2 St. Clair Ave. East, Suite 1100 Toronto, ON M4T 2T5, Attention: Hans Rizarri, or by email at

hans.rizarri@crowesoberman.com, by 5:00 p.m. (Toronto time) on July 9, 2021 (the “**Bid Deadline**”)

10. The Proposal Trustee in its sole discretion shall determine whether any offers are “**Qualified Bids**”. A Qualified Bid shall mean an offer to purchase the Purchased Assets that is substantially the same or better than the Stalking Horse APA, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
  - (a) the offer is submitted on or before the Bid Deadline by a Prospective Purchaser;
  - (b) the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror’s chief officer or other appropriate senior executive’s approval of the contemplated transaction must be submitted with the offer;
  - (c) the offer must be submitted in writing and include a blackline of the offer to the Stalking Horse APA, reflecting the Prospective Purchaser’s proposed changes and a written commitment to close on the terms and conditions set forth therein;
  - (d) the offer must be accompanied by a deposit in the form of certified cheque payable to the Proposal Trustee which is equal to at least 10% of the aggregate purchase price payable under the offer (“**Bid Deposit**”) which shall be held in trust by the Proposal Trustee’s solicitors and disbursed only as follows: (i) if the Prospective Purchaser becomes the Successful Bidder, its Bid Deposit will be applied without interest on Closing to the purchase price payable by it under its bid on the closing thereof; and (ii) if the Prospective Purchaser is not the Successful Bidder, then its Bid Deposit shall be returned without interest to it forthwith following the determination by the Proposal Trustee that its offer was not selected as the Successful Bid;
  - (e) the offer must be open for acceptance by the Vendor until five (5) Business Days after the Auction (as hereinafter defined) or later;
  - (f) the offer must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse APA, in the opinion of the Proposal Trustee, and shall not contain any provisions for a break fee or expense reimbursement;
  - (g) the offer must contemplate purchase of the Purchased Assets on an “as is, where is” basis;
  - (h) the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror’s obligation to complete the transaction that are not otherwise contained in the Stalking Horse APA;
  - (i) the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources;
  - (j) the offer must contain a target closing date that, in the opinion of the Proposal Trustee, is likely to be achieved;

- (k) the offer must be for a price equal to or greater than the sum of the Purchase Price, and **\$150,000**;
- (l) unless the written consent of a secured creditor of the Vendor had been obtained for the assumption of the debt owing to such secured creditor and has been provided to the Proposal Trustee, the price of an offer must be comprised solely of cash payable at closing.

11. The Proposal Trustee may waive compliance with any one or more of these requirements and deem such non-compliant bid to be a Qualified Bid.
12. Following the Bid Deadline, the Proposal Trustee will assess the Qualified Bids. If no Qualified Bids are received or, in the opinion of the Proposal Trustee, no bids constitute Qualified Bids, the Proposal Trustee may determine that an Auction is not required and may select the Stalking Horse Bidder as the Successful Bidder and proceed to bring a motion for an Approval and Vesting Order in respect of the transaction contemplated by the Stalking Horse APA.
13. If one or more Qualified Bids are received, each bidder who submitted a Qualified Bid will be deemed a **“Qualified Bidder”**. The Proposal Trustee shall invite all Qualified Bidders to attend the Auction.
14. Notwithstanding these bid requirements, the Stalking Horse APA is deemed to be a Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Bidder.

### **Auction**

15. If the Proposal Trustee receives one or more Qualified Bids by the Bid Deadline, the Proposal Trustee shall extend invitations by phone, fax and/or email by 10:00 a.m. (Toronto time) on the third (3rd) Business Day after the Bid Deadline to all bidders who submitted Qualified Bids and to the Stalking Horse Bidder to attend an auction (the **“Auction”**). The Auction shall be held at 10:00 a.m. on the fifth (5th) Business Day after the Bid Deadline (or such other date and time as the Proposal Trustee may in its sole discretion designate) at the offices of the Proposal Trustee or virtually by videoconference facility established by the Proposal Trustee.
16. The Proposal Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$100,000, or such other amount as the Proposal Trustee determines to facilitate the Auction (the **“Incremental Amount”**). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Proposal Trustee in its sole discretion.

### **Successful Bid**

17. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Proposal Trustee shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the **“Successful Bid”**), subject to Court approval. The presentation of the Successful Bid to the Court for approval does not obligate the Vendor to close the transaction contemplated by such Successful Bid unless and until the Court approves

the Successful Bid. The Vendor will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing of the motion for the Approval and Vesting Order.

18. Subject to Court availability, the Proposal Trustee shall make a motion to the Court to obtain approval of the Successful Bid and the Approval and Vesting Order as expeditiously as possible after the Auction, **but in no event longer than ten (10) Business Days following the Auction.**
19. The deposits submitted with all Qualified Bids (except the Successful Bid), shall be held in escrow by the Proposal Trustee until five (5) Business Days after the date of the completion of the Auction and returned to those Prospective Purchasers thereafter. If the Successful Bid terminates pursuant to its terms or fails to close because of the Vendor's breach or failure to perform under the terms of the Successful Bid, the Proposal Trustee shall return the deposit submitted with such bid to the bidder that submitted the Successful Bid (the "**Successful Bidder**") forthwith. If the Successful Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Successful Bid, the Proposal Trustee shall not have any obligation to return the deposit submitted with the Successful Bid and such deposit shall be retained by the Proposal Trustee as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Proposal Trustee shall be at liberty to but not obligated to, accept on terms to be agreed upon between the Parties.
20. Subject to the Sale Process Order, the Proposal Trustee shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

#### **Miscellaneous**

21. The Sale Process and these Bidding Procedures are solely for the benefit of the Proposal Trustee and the Vendor and nothing contained in the Sale Process Order or these Bidding Procedures shall create any rights in any other person (including, without limitation, any bidder in the Sale Process and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Sale Process Order. The bid protections incorporated in these Bidding Procedures are solely for the benefit of the Stalking Horse Bidder.
22. Except as otherwise provided in an order of the Court, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Process Order, the Sale Process and the Bidding Procedures

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
CONFORTI HOLDINGS LIMITED**

District: Ontario  
Division No. 09-Toronto  
Court No. 31-2675583  
Estate No. 31-2675583

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

Proceeding commenced at Toronto

**SALE PROCESS APPROVAL ORDER**

**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, ON Canada M5H 3S1

**Bobby Sachdeva LSO #: 34454C**  
Tel: 905.532.6670  
bsachdeva@millerthomson.com

**Erin Craddock LSO #: 62828J**  
Tel: 416.595.8631  
ecraddock@millerthomson.com

Lawyers for Conforti Holdings Inc.

# **Appendix “E”**

## STALKING HORSE ASSET PURCHASE AGREEMENT

This Agreement is made as of the 5th day of May, 2021

### BETWEEN:

#### CONFORTI HOLDINGS LIMITED

(The “**Vendor**”)

-and-

#### CICAPLUS LTD.

(the “**Purchaser**”)

### RECITALS

A. On September 28, 2020, the Vendor filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the “**BIA**”) and appointed Crowe Soberman Inc. as proposal trustee (the “**Proposal Trustee**”);

B. In connection with the Vendor’s proposal proceedings, the Vendor will seek the approval of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for a “stalking horse” sale process as set out herein (the “**Sale Process**”) whereby this Agreement will serve as the stalking horse bid for the Purchased Assets (as defined herein).

C. In the event that this Agreement is selected as the Successful Bid (as defined herein) in the Sale Process, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, all of the Vendor’s rights, title and interest in and to the Purchased Assets on the terms and subject to the conditions set forth in this Agreement.

In consideration of the mutual covenants and agreements set forth in this Agreement and the sum of Two Dollars (\$2.00) paid by the Vendor and the Purchaser to the other and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereby agree and declare as follows:

### SECTION 1– INTERPRETATION

#### 1.1 Definitions

The terms defined herein shall have the following meanings, unless the context expressly or by necessary implication otherwise requires:

(1) **Agreement** means this agreement including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time in accordance with the terms hereof; provided that this agreement shall constitute an offer, as set out in Section 2.1, until accepted by the Vendor;

(2) **Applicable Law** means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law, that applies in whole or in part to such Person, property, transaction or event;

(3) **Approval and Vesting Order** means an Order of the Court, substantially in the form attached as Schedule "B" hereto, providing for, among other things, the vesting in and to the Purchaser of all of the right, title and interest, if any, of the Vendor in and to the Purchased Assets, free and clear of all liens, charges and encumbrances, except Permitted Encumbrances;

(4) **Auction** has the meaning set out in the Bidding Procedures;

(5) **BIA** has the meaning set forth in Recital A;

(6) **Bid Deadline** has the meaning set out in the Bidding Procedures;

(7) **Bid Deposit** has the meaning set out in the Bidding Procedures;

(8) **Bidding Procedures** means the bidding procedures, substantially in the form attached hereto as Schedule "D", with milestone dates therein to be settled on or before the date of the Sale Process Order;

(9) **Business Day** means any day of the year, other than a Saturday, Sunday, or any day on which Canadian chartered banks are closed in Toronto, Ontario, Canada;

(10) **Court** has the meaning set forth in Recital B;

(11) **Closing** means the completion of the Transaction;

(12) **Closing Date** means the date that is ten (10) Business Day following the date on which the Approval and Vesting Order is granted or such later or earlier date as agreed to by the Parties;

(13) **Deposit** has the meaning set forth in Section 2.2(a);

(14) **Encumbrances** means all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, options, easements, rights-of-way, restrictions, executions or other encumbrances, including notices or other registrations in respect of any of the foregoing, affecting title to the Purchased Assets or any part thereof or interest therein.;

(15) **ETA** means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

(16) **Governmental Authority** means any Canadian federal, provincial, state, municipal or local, or other government, governmental, regulatory, or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body, or any comparable body to the foregoing in the United States of America, having jurisdiction over the Purchased Assets;

(17) **GST/HST** means taxes, interest, penalties, and fines imposed under Part IX of the ETA;

(18) **Income Tax Act** means *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.);

(19) **Incremental Amount** has the meaning set out in the Bidding Procedures;

(20) **Known Potential Bidders** has the meaning set out in the Bidding Procedures;

(21) **NDA** has the meaning set out in the Bidding Procedures;

(22) **Party** means the Purchaser and the Vendor;

(23) **Permitted Encumbrances** means those Encumbrances set forth in Schedule "E";

(24) **Person** means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;

(25) **Proposal Trustee** has the meaning set forth in Recital A;

(26) **Proposal Trustee's Certificate** means the certificate of the Proposal Trustee contemplated by the Approval and Vesting Order as attached hereto as Schedule "C", certifying that the Proposal Trustee has received written confirmation in form and substance satisfactory to the Proposal Trustee from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties;

(27) **Prospective Purchaser** has the meaning set forth in the Bidding Procedures;

(28) **Purchased Assets** means 7755 Warden Avenue, unit 2, level 1, Markham, Ontario L3R 0N3;

(29) **Purchase Price** has the meaning set forth in Section 2.2;

(30) **Qualified Bidder** has the meaning set forth in the Bidding Procedures;

(31) **Qualified Bids** has the meaning set forth in the Bidding Procedures;

(32) **Representative** means, in respect of a Party, each director, officer, employee, agent, affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party's affiliates;

(33) **Sale Process** has the meaning set forth in Recital B;

(34) **Sale Process Order** means the order of the Court to be sought approving (i) the Sale Process, and (ii) this Agreement for purposes of acting as stalking horse bidder;

(35) **Secured Debt** has the meaning set out in Section 2.2(b);

(36) **Successful Bid** has the meaning set out in the Bidding Procedures;

(37) **Successful Bidder** has the meaning set out in the Bidding Procedures;

(38) **Stalking Horse APA** has the meaning set out in the Bidding Procedures;

(39) **Stalking Horse Bid** has the meaning set out in Section 4.1(2);

(40) **Stalking Horse Bidder** has the meaning set out in the Bidding Procedures;

(41) **Teaser** has the meaning set out in the Bidding Procedures;

(42) **Time of Closing or Closing Time** means 2:00 p.m. Toronto time on the Closing Date or as otherwise determined by mutual agreement of the Parties in writing;

(43) **Transaction** means the transaction of purchase and sale contemplated by this Agreement; and

(44) **Transfer Taxes** means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including sales taxes but excluding any taxes imposed or payable under the Income Tax Act and any other applicable income tax legislation.

## **1.2 Headings and References**

The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement,” “hereof,” “hereunder” and similar expressions refer to this Agreement and not to any particular section, subsection, or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to “Sections” are to sections, subsections, and further subdivisions of sections of this Agreement.

## **1.3 Extended Meanings**

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including without limitation.”

## **1.4 Statutory References**

Each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended, or re-enacted from time to time.

## **1.5 Currency**

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

## **1.6 Schedules**

The following are the Schedules to this Agreement:

Schedule “A” – Draft Sale Process Order

Schedule “B” – Draft Approval and Vesting Order

Schedule “C” – Proposal Trustee’s Certificate

Schedule “D” – Bidding Procedures

## Schedule "E" – Permitted Encumbrances

**SECTION 2– OFFER****2.1 Offer**

Subject to satisfaction of the conditions set out in Sections 5.1, 5.2 and 5.3 hereof, this Agreement, once executed by the Purchaser, shall constitute a valid and binding offer to purchase by the Purchaser.

**2.2 Purchase Price**

The consideration payable by the Purchaser to the Vendor for the Purchased Assets (the "Purchase Price") shall be the sum of \$3,531,350.00, comprised of:

- (a) \$100,000.00 deposit to be paid to the Proposal Trustee upon acceptance of this Agreement by the Vendor (the "Deposit"); and
- (b) assumption of:
  - (i) the \$1,931,350.00 owing to Antonio Conforti pursuant to the Assignment of Debt and Security Agreement, dated with effect as of October 15, 2020, between the Vendor, Royal Bank of Canada, and Antonio Conforti; and
  - (ii) the \$1,500,000.00 owing to Beauty Experts Inc. pursuant to the General Security Agreement, dated March 2, 2010, between the Vendor and Beauty Experts Inc.

(together, the "Secured Debt").

**2.3 Deposit**

Subject to Section 2.4 below, the Vendor's obligation to repay the Deposit shall arise if the Purchaser is not the Successful Bidder, unless the Deposit is forfeited in accordance with this Agreement. For greater certainty, no further notice or demand shall be required to be delivered by the Purchaser to the Vendor to trigger the Vendor's repayment obligations under this Section 2.3.

**2.4 Failure to Close**

If the Purchaser is the Successful Bidder and the Transaction does not close as a result of a breach of this Agreement by the Purchaser, the Purchaser shall be deemed to have immediately forfeited the Deposit.

**2.5 Payment of Purchase Price**

Provided that all conditions precedent to Closing have been satisfied or waived in accordance with Article 5, the Purchase Price shall be paid and satisfied on Closing by the Purchaser's assumption of the Secured Debt, and the waiver, release and discharge of the security provided by the Vendor in connection with the Secured Debt.

## **2.6 Legal Fees and Costs**

The Purchaser shall pay its own legal costs and fees payable in connection with the Transaction, if any.

## **2.7 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price is exclusive of all Transfer Taxes and the Purchaser shall be liable for and shall pay any and all applicable Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets; and
- (b) the Purchaser shall pay any applicable Transfer Taxes on the Purchaser's acquisition of the Purchased Assets in addition to the Purchase Price, either to the Proposal Trustee on behalf of the Vendor, or directly to the appropriate Governmental Authority, as required by Applicable Law.

## **SECTION 3– REPRESENTATIONS AND WARRANTIES**

### **3.1 Vendor's Representations**

The Vendor represents and warrants to the Purchaser that:

- (a) the Vendor is not aware of any action or proceeding pending or threatened against it which may affect its right to convey any of the Purchased Assets or in any way restrain or prohibit the completion of the Transaction;
- (b) the Vendor is not, and at the time of Closing will not be, a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (c) subject to the approval of the Court, the Vendor has right, power and authority to market any or all of the Purchased Assets for sale and to sell, convey, transfer, lease or assign the Purchased Assets in accordance with and subject to the terms and conditions of this Agreement;
- (d) the Vendor is a corporation incorporated and validly existing under the Provincial laws of Ontario and has not been discontinued or dissolved under such law. Vendor has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Vendor. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Vendor, and (assuming due authorization, execution, and delivery by Purchaser), this Agreement and the documents to be delivered hereunder constitute legal, valid, and binding obligations of the Vendor, enforceable against the Vendor in accordance with their respective terms;

- (e) the Vendor is registered under Part IX of the ETA and the Vendor's HST number is 126597194 RT0001; and
- (f) Spousal consent is not necessary to this transaction under the provisions of the *Family Law Act*, R.S.O. 1990, c. F.3, as amended.

### **3.2 Purchaser's Representations**

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation existing under the laws of the Province of Ontario, and has full corporate power and authority to enter into and carry out this Agreement and the Transaction;
- (b) the entering into of this Agreement and all other documents contemplated hereunder to which the Purchaser is a party and the consummation of the Transaction have been duly authorized by all requisite corporate action;
- (c) other than the Approval and Vesting Order, no consent, approval, waiver or authorization is required to be obtained by the Purchaser from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by the Purchaser of this Agreement and the consummation of the transactions contemplated hereby.
- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (e) the Purchaser has entered into this Agreement and will be completing the Transaction on its own account, not as an agent;
- (f) on, or prior to, the Closing Date, the Purchaser shall be registered under Part IX of the ETA and the Purchaser shall provide the Vendor with its HST number; and
- (g) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

### **3.3 "As is, Where is"**

- (1) The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" basis as the Purchased Assets shall exist on the Closing Date and no adjustments shall be made for any changes in the condition of the Purchased Assets, unless otherwise agreed to herein. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets, as it deemed appropriate

and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, Encumbrances, description, fitness for any particular use or purpose, merchantability, condition, assignability, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell same. Without limiting the generality of the foregoing: no representation or warranty is made with respect to the accuracy or completeness of any information provided by the Vendor and its Representatives to the Purchaser in connection with this Transaction.

- (2) The Purchaser shall have reasonable access to the Purchased Assets on reasonable notice to the Vendor for the purposes of conducting inspections prior to the Closing Date.
- (3) The Vendor agrees to provide any authorization required to allow the Purchaser's solicitor to perform searches for the purposes of conducting reviews prior to the Closing Date.

#### **3.4 Limitations**

With the exception of the Vendor's representations and warranties in Section 3.1 and the Purchaser's representations and warranties in Section 3.2, none of the Vendor or the Purchaser, or their respective Representatives make, have made, or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity in respect of the Vendor, the Purchaser or the Purchased Assets or the sale and purchase of the Purchased Assets pursuant to this Agreement.

### **SECTION 4– SALE PROCESS**

#### **4.1 Bidding Procedures**

- (1) The Vendor and the Purchaser acknowledge that this Agreement and the Transaction contemplated hereby are subject to Court approval.
- (2) The Vendor and the Purchaser acknowledge and agree that the Vendor shall apply to the Court by no later than May 25, 2021 or such other date as may be mutually agreed upon, for the Sale Process Order, inter alia, recognizing this Agreement and, in particular, the Purchase Price, as a baseline or “stalking horse bid” (the “**Stalking Horse Bid**”) and approving the Bidding Procedures in accordance with the terms of this Agreement.
- (3) The Parties will use commercially reasonable efforts to have the Sale Process Order issued. The Purchaser acknowledges that the Bidding Procedures are in contemplation of determining whether a superior bid can be obtained for the Purchased Assets.

#### **4.2 Court-Specified Time Periods**

Where any of the time periods specified in Schedule “D” hereof are subject to be established by Court order, and in the event that the Court establishes a date different than the date set out in this Agreement, then the corresponding date established by such provisions of this Agreement shall be deemed to be amended to accord with the Court established date.

## SECTION 5– CONDITIONS TO CLOSING

### 5.1 Conditions Precedent in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor at or before the Closing Date shall have been complied with or performed in all material respects;
- (b) the Vendor shall have delivered or caused to be delivered to the Purchaser each of the items listed in Section 6.2; and
- (c) all representations and warranties of the Vendor contained in this Agreement shall be true in all material respects as of the Closing Date with the same effect as though made on and as of that date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 5.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 5.1 is not satisfied or performed on or prior to the Closing Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

### 5.2 Conditions Precedent in favour of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Time of Closing with the same effect as though made as of that time and the Purchaser shall deliver to the Vendor a certificate signed by a representative of the Purchaser to that effect (provided that acceptance of such evidence and the completion of the Transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) the Purchaser shall have delivered or caused to be delivered to the Vendor each of the items listed in Section 6.3.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 5.2 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set out in Section 5.2 is not satisfied or performed on or prior to the Closing Date, the Vendor may elect on written notice to the Purchaser to terminate this Agreement.

### **5.3 Conditions Precedent in favour of both the Purchaser and the Vendor**

- (1) Neither party shall be obligated to complete the transactions contemplated by this Agreement unless the following conditions have been fulfilled:
  - (a) the Sale Process Order shall have been granted on terms satisfactory to the Purchaser and Vendor, each acting reasonably, and the Purchaser shall have been selected as the Successful Bidder;
  - (b) the Approval and Vesting Order shall have been obtained and shall not have been stayed, varied or vacated;
  - (c) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
  - (d) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser. If the conditions set out in this Section 5.3 are not satisfactorily performed or mutually waived on or before the Closing Date, any Party shall have the option to terminate this Agreement upon written notice to the other Party.

- (2) The Purchaser acknowledges and agrees that the Sale Process is in contemplation of determining whether one or more qualified bids can be obtained for the Purchased Assets.
- (3) The Vendor covenants that it will use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Section 5.1 and Section 5.3 hereof and the Purchaser covenants to use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Sections 5.2 and 5.3 hereof prior to the times specified therefor.

## **SECTION 6– CLOSING**

### **6.1 Closing**

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time at the offices of Scalzi Professional Corporation, solicitors for the Purchaser, at the Time of Closing or at such other location(s) as are agreed upon by the Parties and the Parties shall exercise commercially reasonable efforts to cause Closing to occur at the Closing Time.

### **6.2 Vendor's Deliveries on Closing**

At or before the Closing Time, upon fulfilment by the Purchaser of all the conditions herein in favour of the Vendor which have not been waived in writing by the Vendor, the Vendor shall deliver the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a copy of the issued and entered Approval and Vesting Order;

- (b) a copy of the Proposal Trustee's Certificate;
- (c) all documents and instruments, executed by the Vendor as may be necessary or desirable to convey and transfer title to any of the Purchased Assets to the Purchaser; and
- (d) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement and convey title to the Purchased Assets to the Purchaser.

### **6.3 Purchaser's Deliveries on Closing**

At or before the Closing Time, upon fulfilment by the Vendor of all the conditions herein in favour of the Purchaser which have not been waived by the Purchaser, the Purchaser shall execute and deliver the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) agreements reflecting the assumption of the Secured Debt by the Purchaser contemplated by Section 2.5;
- (b) waiver, release and discharge of the security contemplated in respect of the Vendor by Section 2.5;
- (c) payment of Transfer Taxes required by Applicable Law to be collected by any Vendor;
- (d) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all respects the covenants to be performed by it prior to the Closing Time;
- (e) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

### **6.4 Risk**

Until completion of this Agreement on the Closing Date, the Purchased Assets shall be and remain at the risk of the Vendor, except as otherwise provided in this Section 6.4. In the event of any damage to the Purchased Assets on or before the Closing Date, the Purchaser may elect (i) to require the Vendor to repair the Purchased Assets to the same state and condition as it was in at the time this Agreement was entered into in which event the Purchaser will complete the Transaction without an abatement in the Purchase Price; or (ii) to reduce the Purchase Price by an amount equal to the cost required to complete the repair as estimated by an independent qualified architect or engineer retained by the Vendor in which event the Purchaser will complete the Transaction and accept the price reduction equal to such cost; or (iii) if such damage is in excess of \$50,000, to terminate this Agreement and neither party shall have any further rights or obligations under this Agreement.

### **6.5 Possession of Purchased Assets**

On Closing, the Purchaser shall take possession of the Purchased Assets wherever situate at Closing. The Purchaser acknowledges that the Vendor has no obligation to deliver

physical possession of the Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied or waived by the Purchaser or Vendor, as applicable, and the Purchaser has satisfied all delivery requirements outlined in Section 6.3.

#### **6.6 Tender**

Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors on the Closing Date.

#### **6.7 Adjustments**

Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to Closing Date, the Closing Date itself to be apportioned to the Purchaser.

#### **6.8 Property Assessment**

The Purchaser and the Vendor hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Purchaser and Vendor agree that no claim will be made against the Purchaser or Vendor, or any brokerage, broker or salesperson, for any changes in property tax as a result of a re-assessment of the Purchased Assets, save and except any property taxes that accrued prior to completion of the Transaction.

#### **6.9 Dispute Resolution**

If any dispute arises with respect to any matter related to the Transaction or the interpretation or enforcement of this Agreement such dispute will be determined by the Court, or by such other Person or in such other manner as the Court may direct or as mutually agreed upon by the Vendor and the Purchaser.

#### **6.10 Termination**

- (1) This Agreement may be terminated at any time prior to the Closing Time by mutual written agreement of the Vendor and the Purchaser and on consent of the Proposal Trustee.
- (2) This Agreement may be terminated at any time prior to the Closing Time upon the occurrence of any of the following:
  - (a) a condition precedent has not been satisfied or waived pursuant to and in accordance with Section 5 and a Party entitled to terminate this Agreement as a result thereof has delivered written notice of termination pursuant to Section 5 (provided that the terminating Party has not failed to satisfy a closing condition under this Agreement); or
  - (b) Closing shall not have occurred on or prior to the Closing Time and the Purchaser shall have delivered written notice of termination to the other Parties terminating this Agreement as a result thereof (provided that the terminating Party has not failed to satisfy a closing condition under this Agreement).

## 6.11 Effects of Termination and Closing

- (1) If this Agreement is terminated pursuant to Section 6.10, all further obligations of the parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other except for the provisions of this Section 6.11, each of which will survive termination.
- (2) If the Transaction is not completed by the Closing Time solely as a result of the Vendor's failure to perform any of their obligations under this Agreement, then the Deposit shall become due and payable to the Purchaser in accordance with the terms of this Agreement.
- (3) Under no circumstance shall either of the Parties, or their Representatives be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein

## SECTION 7– GENERAL

### 7.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the recipients as follows:

in the case of the Purchaser:

**CicaPlus Ltd.**  
Attention: Floriana Ottaviani  
Email: [floriana@yourspacesalons.ca](mailto:floriana@yourspacesalons.ca)

with a copy to:

**Scalzi Professional Corporation**  
868A Eglinton Avenue West  
Toronto, Ontario  
M6C 2B6

Attention: Carmine Scalzi  
Email: [cscalzi@scalzilaw.com](mailto:cscalzi@scalzilaw.com)

in the case of the Vendor:

**Conforti Holdings Limited**  
Attention: Floriana Ottaviani  
Email: [floriana@yourspacesalons.ca](mailto:floriana@yourspacesalons.ca)

with copies to:

**Crowe Soberman Inc.**  
Licensed Insolvency Trustee  
2 St. Clair Avenue East, Suite 1100  
Toronto, ON M4T 2T5

Attention: Hans Rizarri  
Email: [hans.rizarri@crowesoberman.com](mailto:hans.rizarri@crowesoberman.com)

And

**Goldman Sloan Nash & Haber LLP**  
Suite 1600, 480 University Avenue  
Toronto, ON M5G 1V2

Attention: Brendan Bissell  
Email: [bissell@gsnh.com](mailto:bissell@gsnh.com)

And

**Miller Thomson LLP**  
Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, Ontario M5H 3S1

Attention : Kevin Sherkin & Bobby Sachdeva  
Email: [ksherkin@millerthomson.com](mailto:ksherkin@millerthomson.com)  
Email: [bsachdeva@millerthomson.com](mailto:bsachdeva@millerthomson.com)

or to such other address, individual or electronic communication number as may be designated by notice given by either Party to the other. Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

## **7.2 Time of Essence**

Time shall, in all respects, be of the essence hereof provided that the time for doing or completing any matter provided herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser.

## **7.3 Survival**

The representations and warranties of the Parties contained in this Agreement shall merge on Closing and the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

#### **7.4 Expenses**

Except as otherwise expressly provided herein, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and auditors) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses, subject to any rights either Party may have to have any such fees included in any security held by that Party against the assets of the Vendor.

#### **7.5 Third Party Beneficiaries**

Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties hereto and their successors and permitted assigns, and no person, other than the Parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

#### **7.6 Further Assurances**

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

#### **7.7 Entire Agreement**

This Agreement constitutes the only agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior negotiations, provisions, covenants, agreements, understandings and representations on that subject, all of which have become merged and finally integrated into this Agreement.

#### **7.8 Amendments**

This Agreement may only be amended, modified or supplemented by a written agreement signed by the Parties.

#### **7.9 Waiver**

No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the Party to be bound thereby.

#### **7.10 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

### **7.11 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

### **7.12 Planning Act**

This Agreement shall be effective to create an interest in the Purchased Assets only if the Vendor complies with the subdivision control provisions of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended, by completion and the Vendor covenants to proceed diligently at its expense to obtain any necessary consent by completion.

### **7.13 Benefit of Agreement**

This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

### **7.14 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

### **7.15 Counterparts**

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original and all of which taken together constitute one and the same instrument. Transmission by email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

### **7.16 Assignment and Enurement**

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, without the prior written consent of the Vendor or the Proposal Trustee, provided that such assignee is a related party of the Purchaser and (i) the Purchaser shall provide prior notice of such assignment to the Vendor prior to the grant of the Approval and Vesting Order, and (ii) such assignee shall agree to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.

### **7.17 Proposal Trustee's Certificate**

The Parties acknowledge and agree that the Proposal Trustee shall be entitled to deliver to the Purchaser, and file with the Court, the executed Proposal Trustee's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Proposal Trustee shall have no liability to the Parties in connection therewith. The Parties further acknowledge and agree that (i) upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Proposal

Trustee may deliver the executed Proposal Trustee's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Proposal Trustee's written confirmation that all such funds have been received, the Proposal Trustee's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

*[signature page follows]*

**IN WITNESS WHEREOF** the Vendor and the Purchaser have executed this Agreement as of the day and year first above written

Purchaser:

**CICAPLUS LTD.**

By: 

Name: ANTONIO CONFORTI

Title: PRESIDENT

I have authority to bind the corporation

Vendor:

**CONFORTI HOLDINGS LIMITED**

By: 

Name: ANTONIO CONFORTI

Title: PRESIDENT

I have authority to bind the corporation

# **Appendix “F”**



Crowe Soberman | Canada



# Invitation for Offers to Purchase a Commercial Property:

Conforti Holdings Limited



Crowe Soberman Inc.

Licensed Insolvency Trustee

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[www.crowesobermaninc.com](http://www.crowesobermaninc.com)

# COMMERCIAL PROPERTY FOR SALE

**DEADLINE FOR OFFERS July 9, 2021**

## Property & Description

The property owned by Conforti Holdings Limited (“Conforti”) municipally known as 7755 Warden Avenue, Unit 2, Markham, Ontario (the “Commercial Property”) is being offered for sale by the Licensed Insolvency Trustee through a stalking horse sales process.

## Overview

A unique opportunity exists to acquire the Commercial Property. The Commercial Property contains approximately 11,433 square feet of gross floor area including a reception area, showroom space, office space, warehouse space, and mezzanine space.

The Licensed Insolvency Trustee is conducting a sales process in accordance with the powers conferred on it and certain provisions of the *Bankruptcy and Insolvency Act*. The sale is on an “as-is”, “where-is basis”.

## Sale Process

The Licensed Insolvency Trustee will be accepting Qualified Bids alongside a deposit of 10% of the aggregate Qualified Bid up to the deadline of 5:00 pm EST, Friday, July 9, 2021. Those Qualified Bids that are not chosen will have their deposits returned. Offers that are considered Qualified Bids by the Trustee will then be eligible to enter a stalking horse auction at 10 a.m. on the third (3<sup>rd</sup>) Business Day after the Bid Deadline (or such other date and time as the Proposal Trustee may in its sole discretion designate).

## Contact Information:

Proposal Trustee	Crowe Soberman Inc.
Attention	Daniel Posner
Phone number:	416.644.8447
Email:	<a href="mailto:daniel.posner@crowesoberman.com">daniel.posner@crowesoberman.com</a>

## MLS Link:

<http://v3.torontomls.net/Live/Pages/Public/Link.aspx?Key=e95baa0193334e8ea845f2a7fea6271d&App=TREB>

# **Appendix “G”**

## ECONOMY

## RATE HIKES WILL 'DAMPEN IMPACT' OF BUDGET MEASURES

**Interest rate hikes** in the second half of 2022 will dampen the effect of Canada's planned stimulus spending, leading to lower-than-forecast economic growth in the medium term, the country's budgetary watchdog said Thursday. Parliamentary Budget Officer Yves Giroux, shown, said he now expects interest rates to rise by 50 basis points in 2022 as the Bank of Canada responds to stronger economic activity and higher inflation. "Higher interest rates will dampen the stimulative impact of Budget 2021 measures. This means that government revenues will not increase to their full extent," said Giroux. The budget forecasts real GDP growth of 5.8 per cent this year, dropping to 1.8 per cent in 2025. By contrast, the PBO expects real GDP growth of 6.2 per cent in 2021, falling to 1.4 per cent by 2025. *Reuters*



## ECONOMY

## Carney hounded by Tory MP at hearing

PIERRE POILIEVRE

THEOPHILOS ARGITIS

Mark Carney, the former central banker who is now head of impact investing at Brookfield Asset Management Inc., was badgered on everything from pipelines to human rights abuses in China during a parliamentary committee hearing.

Thursday's appearance, via video conference, was Carney's first taste of bare-knuckled Canadian politics since he identified himself as a supporter of Prime Minister Justin Trudeau's Liberal Party last month.

Ostensibly, the two-hour meeting was to talk about the transition to a low-carbon economy at a hearing that included other expert witnesses. But instead Carney was aggressively hounded by Conservative Pierre Poilievre, who accused him of "hypocritical window dressing" and being a Davos elite.

In five separate rounds, Poilievre pressed Carney — who ran the Bank of England through Brexit after serving as governor of the Bank of Canada — on the mistreatment of Uyghur Muslims, subsidies his company receives for producing renewable energy, his position on Canadian pipelines, and even the number of fatal encounters between birds and Brookfield's windmills.

The exchanges included:

- Will his company forfeit subsidies from producing renewable energy in Ontario? (Carney said contracts are locked in and targeted energy policy isn't the right tool to address poverty.)
- Does he believe Trudeau's fiscal plan is creating a structural deficits? ("In my judg-

ment it is on a sustainable fiscal path.")

■ Has he been advising government ministers on climate finance and has he contacted the lobbying commissioner to determine whether he is following rules? ("I don't lobby, period.")

■ Does he believe the Chinese government is perpetrating genocide against the Uyghurs? ("I'm deeply concerned about the situation.")

■ Why is his company expanding in China given the nation's poor climate record? ("You go to where the emissions are and you convert dirty activities to green activities.")

■ Did he support Trudeau's decision to veto Northern Gateway pipeline? (He did.)

■ Does he support Brookfield's decision to invest in pipelines in other countries? Is it a double standard? (Carney said it's not.)

■ Whether there was anything he believes the government has done wrong? ("I think more can be done.")

■ How many birds have Brookfield windmills killed? ("I have no idea.")

Poilievre is the most prominent agitator in the Conservative caucus. In October, he warned Bank of Canada Governor Tiff Macklem against financing Trudeau's spending plans beyond immediate pandemic emergency measures.

Carney was composed through most of the questions, but at one point returned the barbs by accusing Poilievre of being a climate-change denier.

The back-and-forth between the two men prompted at least 10 points of order from other members of the committee to debate whether the questions had any relevancy to the subject.

*Bloomberg*



Prime Minister Justin Trudeau's chief of staff Katie Telford and then-principal secretary Gerald Butts listen as Trudeau speaks in 2016. *CHRIS WATTIE / REUTERS FILES*

## COMMENT

## A country run by amateurs



DIANE FRANCIS

Butts, a green fanatic and serial job killer, advised former Ontario premier Dalton McGuinty for years. The two ran the province into the proverbial ground through excessive spending and by building shockingly expensive solar and wind power projects that have made the province's manufacturing industries uncompetitive.

The Butts' group includes a few cabinet ministers but is headed by his replacement as chief of staff, Katie Telford. She was implicated in the WE Charity scandal and has no professional credentials, as she has only ever worked as a political operative.

The Trudeau buddy team includes Intergovernmental Affairs Minister Dominic Leblanc, who babysat Justin and whose father was a friend of Pierre Trudeau's. Another is Indigenous Services Minister Marc Miller, who attended the same elite private school with Trudeau, was in his wedding party and was present at one of the prime minister's scandalous "Blackface" performances.

Then there's the singularly unqualified Natural Resources Minister Seamus O'Regan, a pal of Trudeau's who was a minor television celebrity and engaged in ethically shady behaviour, as did the prime minister, by taking a lavish freebie holiday compliment of the Aga Khan.

The rest of the roster is downright depressing, so it's little wonder that this is the group responsible for hiring an army of new civil servants and a battalion of third-party consultants at a cost to taxpayers of tens of billions of dollars.

As for the man at the top, here's an example of his management style: He hired an unqualified former astronaut to be governor general. She failed miserably. Then, rather than simply firing her, a firm called Quintet Consulting was hired and taxpayers paid nearly \$400,000 to analyze a situation that Trudeau and others should have known about.

As was obvious in the vaccine procurement debacle, Canada is run by amateurs, who hire more amateurs, who hire Liberal consultants because they don't know how to run a country.

*Financial Post*

Read and sign up for Diane's newsletter on America at [dianefrancis.substack.com](http://dianefrancis.substack.com).

## ECONOMY

## Cut in BoC bond purchases predicted

As soon as July as provinces ease lockdowns

FERGAL SMITH

TORONTO • Canada's trail-blazing central bank is likely to cut its bond-buying program again this year, possibly as soon as July, as provinces ease curbs to contain the coronavirus pandemic and inflation pressures build, analysts said.

Strategists from half of Canada's six largest banks expect the Bank of Canada to dial back its bond purchases to \$2 billion per week or less — from the current level of \$3 billion per week — at the central bank's July policy announcement, while the remainder see a reduction in October.

By April next year or earlier, purchases are likely to be \$1 billion per week or less, and continue for some time to offset the amount of bonds maturing on the central bank's balance sheet, the analysts said this week.

In April, the BoC became the first major central bank to cut back on pandemic-era money-printing stimulus programs and signalled it could begin raising its key interest rate from the current floor of 0.25 per cent in the second half of next year.

It said further cuts to bond purchases would be guided by its assessment of the "strength and durability" of economic recovery.

"When we get to July we will be presumably through these third-wave lockdowns and the economy looks to be further along its path towards full recovery," said Andrew Kelvin, chief Canada strategist at TD Securities. That would imply "just a little bit less support from the BoC is needed," he added.

In recent days, Quebec, British Columbia and Ontario, Canada's three most populous provinces, have announced plans to ease restrictions.

Despite lockdowns, Canadian inflation rose in April at the fastest annual pace in a decade, moving above the top of the BoC's target range of 1 per cent to 3 per cent.

While that could be put down to a comparison with weak prices one year ago, not so for a monthly rise that was hotter than expected.

The central bank is due to have in hand the May inflation report as well as quarterly business and household surveys before its July meeting.

The surveys are likely "to further reinforce upside pressure on consumers' and businesses' inflation expectations," said Derek Holt, vice president of capital markets economics at Scotiabank.

The U.S. Federal Reserve has not signalled it is ready to dial back quantitative easing but that may not deter the BoC.

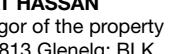
Canada's economy is "importing some easing from the Fed," Kelvin said. "The more QE that the Federal Reserve does, the less QE the BoC needs to do."

*Reuters*

## INVITATION FOR OFFERS TO PURCHASE A COMMERCIAL PROPERTY

Notice is hereby given that an opportunity exists to acquire the Building owned by Conforti Holdings Limited located at 7755 Warden Avenue, Unit 2, Markham, Ontario. If you are interested in pursuing this opportunity, please contact Crowe Soberman Inc. The deadline for submission of a Qualified Bid is **July 9, 2021 at 5:00 p.m. (EST)**.

**CROWE SOBERMAN INC.**  
Licensed Insolvency Trustee  
2 St. Clair Avenue E., Suite 1100  
Toronto, ON M4T 2T5  
Attn: Daniel Posner  
416-644-8447  
daniel.posner@crowesoberman.com



## NOTICE TO: Ross Ballantyne

TAKE NOTICE THAT HASSAN MOKHTARI mortgagor of the property located at LT 35 PL 813 Glenelg; BLK 72 PL 813 Glenelg; West Grey, PIN #37238-0095LT and municipally known as Glen Fiddish Road, Markdale, Ontario has brought an application (the "Application") to have a mortgage charge dissolved (Court File No.: [to be inserted])

THE APPLICATION HAS BEEN BROUGHT IN COURT at 393 University Avenue, 10th Floor, Toronto, Ontario, M5G 1E6.

YOU ARE NAMED as the present mortgagee of the property and are therefore named as the Respondent to this Application.

You may also get information about this case from Metz Ngan at the Law Office of Metz Ngan at 155 Gordon Baker Rd #209, North York, ON M2H 3N7, Ph.: 416-502-9232. A copy of the Applicant's Notice of Application may be obtained by contacting Mr. Donald at the above address.

IF YOU DO NOT RESPOND TO THIS APPLICATION AND ARE NOT PRESENT IN COURT, AN ORDER MAY BE MADE WITHOUT YOU THAT COULD AFFECT YOUR INTERESTS.

# **Appendix “H”**

## Conforti

## 7775 Warden Showings

	Date	Source	Time	Brokerage	Broker
1	June 3rd, 2021	Floriana Ottaviani	5:30-6:00pm	Century 21	HUA YING LIAN
2	June 3rd, 2021	Floriana Ottaviani	6:00pm-6:30pm	RE/MAX	UZMA BUTT
3	June 3rd, 2021	Floriana Ottaviani	8:00-8:30pm	Century 21	HUA YING LIAN
4	June 4th, 2021	Floriana Ottaviani	5:30-6:00 PM (EDT)	Bay Street Group	Grace Tian
5	June 4th, 2021	Floriana Ottaviani	6:00-6:30pm (EDT)	Century 21	Elena Meng
6	June 4th, 2021	Floriana Ottaviani	6:30-7:00pm (EDT)	Harvey Kalles Real Estate	Shan Cheema
7	June 4th, 2021	Floriana Ottaviani	7:00pm-7:30pm (EDT)	Century 21	Anita Mui
8	June 4th, 2021	Floriana Ottaviani	7:30pm-8:00pm (EDT)	Aimhome Realty Inc	James Yang
9	June 7th, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	IPRO Realty	Syed Jafri
10	June 7th, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	Homelife Landmark Realty	Calvin Lin
11	June 7th, 2021	Floriana Ottaviani	5:30pm-6:00pm (EDT)	Applaud Realty Inc	Warren Yu
12	June 7th, 2021	Floriana Ottaviani	6:00pm-6:15pm	Harvey Kalles Real Estate	Shan Cheema
13	June 7th, 2021	Floriana Ottaviani	6:15pm-6:30pm	Century 21	Gary Sama
14	June 7th, 2021	Floriana Ottaviani	6:30pm-6:45pm	Homelife Landmark Realty	Ding Ding
15	June 7th, 2021	Floriana Ottaviani	6:45pm-7:00pm (EDT)	515J REALTY INC.	YAN HUANG
16	June 8th, 2021	Floriana Ottaviani	5:00-5:15pm (EDT)	Avison Young	RYAN MCDONNELL
17	June 8th, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	Best Union Realty	Jacky Liang
18	June 8th, 2021	Floriana Ottaviani	5:30pm-6:00pm (EDT)	Avison Young	Kyle Albert
19	June 8th, 2021	Floriana Ottaviani	6:00pm-6:30pm (EDT)	Aimhome Realty Inc	Lydia X Li
20	June 8th, 2021	Floriana Ottaviani	6:30pm-6:45pm	Homelife New World Realty	Kate Kao
21	June 8th, 2021	Floriana Ottaviani	6:45-7:00pm (EDT)	Best Union Realty	Jacky Liang
22	June 9th, 2021	Floriana Ottaviani	5:00-5:15pm (EDT)	Homelife Landmark Realty	VIVIAN QIU
23	June 9th, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	IPRO Realty	Syed Jafri
24	June 9th, 2021	Floriana Ottaviani	5:30pm-5:45pm (EDT)	Century 21	Tracy Chen
25	June 9th, 2021	Floriana Ottaviani	5:45PM-6:00pm (EDT)	Harvey Kalles Real Estate	Shan Cheema
26	June 9th, 2021	Floriana Ottaviani	6:00 PM – 6:15 PM (EDT)	RIFE REALTY	SONG BAI
27	June 9th, 2021	Floriana Ottaviani	6:15pm-6:30pm(EDT)	Century 21	Anita Mui
28	June 9th, 2021	Floriana Ottaviani	6:30pm-6:45pm	Century 21	Qianqian Hu
29	June 9th, 2021	Floriana Ottaviani	6:45pm-7:00pm (EDT)	Century 21	HUA YING LIAN
30	June 10th, 2021	Floriana Ottaviani	5:30pm-6:00pm (EDT)	Colliers Macaulay Nicolls	Newton C. Leung
31	June 10th, 2021	Floriana Ottaviani	6:00pm-6:15pm	Real One Realty	Ryan Wei
32	June 10th, 2021	Floriana Ottaviani	6:15pm-6:30pm	Bay Street Group	Eric Wu
33	June 10th, 2021	Floriana Ottaviani	6:30pm-6:45pm	Homelife Broadway Realty	Miranda Shum
34	June 10th, 2021	Floriana Ottaviani	6:45pm-7:00pm (EDT)	Bay Street Group	Jenny Jinling Liang
35	June 11th, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	Aimhome Realty Inc	James Yang
36	June 11th, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	Forest Hill Real Estate	Frank FU FENG
37	June 11th, 2021	Floriana Ottaviani	6:00PM-6:15pm	Century 21	Anna C H YIP
38	June 14th, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	Bay Street Group	Daniel Zhang
39	June 14th, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	Hillsdale Real Estate	Na Zhang
40	June 14th, 2021	Floriana Ottaviani	5:30pm-5:45pm (EDT)	Eastside Realty	Wendy Zhou
41	June 14th, 2021	Floriana Ottaviani	5:45PM-6:00pm (EDT)	NU Stream Realty	James Yu
42	June 14th, 2021	Floriana Ottaviani	6:00pm-6:15pm	Harvey Kalles Real Estate	Shan Cheema
43	June 14th, 2021	Floriana Ottaviani	6:15pm-6:30pm	Harvey Kalles Real Estate	Shan Cheema
44	June 16th,2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	Harvey Kalles Real Estate	Shan Cheema
45	June 16th,2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	Aimhome Realty Inc	Lan Weng
46	June 16th,2021	Floriana Ottaviani	5:30pm-5:45pm (EDT)	Colliers Macaulay Nicolls	Charles Pint
47	June 16th,2021	Floriana Ottaviani	5:45PM-6:00pm (EDT)	Masters Trust Realty	YOYO NI
48	June 16th,2021	Floriana Ottaviani	6:00pm-6:15pm	Eastside Realty	Wendy Zhou
49	June 17th, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	Homelife New World Realty	Steven Y Zhong
50	June 17th, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	515J REALTY INC.	CHO NGAI
51	June 17th, 2021	Floriana Ottaviani	5:30pm-5:45pm (EDT)	Royal LePage Real Estate	Chong Feng

**Conforti****7775 Warden Showings**

	<b>Date</b>	<b>Source</b>	<b>Time</b>	<b>Brokerage</b>	<b>Broker</b>
52	June 21st, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	IQI Global Real Estate	Joseph Wu
53	June 21st, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	RE/MAX	FAN GAO
54	June 21st, 2021	Floriana Ottaviani	6:00pm-6:15pm(EDT)	Royal LEPAGE Vision Realty	Kenny Lin
55	June 21st, 2021	Floriana Ottaviani	6:30pm-6:45pm	Homelife/Miracle	SAADAT AHMAND
56	June 22nd, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	Century 21	Anita Mui
57	June 22nd, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	Manorlead Group Inc	Grace Liu
58	June 23rd, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	Harvey Kalles Real Estate	Shan Cheema
59	June 23rd, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	Homelife New World Realty	Karen Zhang
60	June 23rd, 2021	Floriana Ottaviani	6:30pm-6:45pm	Masters Trust Realty	Bowen Li
61	June 24th, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	Colliers Macaulay Nicolls	Chris Kwun Ho Lee
62	June 24th, 2021	Floriana Ottaviani	5:15pm-5:30pm(EDT)	Homelife New World Realty	Karen Zhang
63	June 25th, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	Century 21	Jack Wong
64	June 28th, 2021	Floriana Ottaviani	5:00pm-5:15pm	Century 21 Dreams Inc	Jack Wong
65	June 28th, 2021	Floriana Ottaviani	5:15pm-5:30pm	Bay Sreet Group	Maggie Zhou
66	July 2nd, 2021	Floriana Ottaviani	5:00PM-5:15pm (EDT)	Re/Max	Simone Chen
67	July 5th, 2021	Floriana Ottaviani	6:30pm-6:45pm (EDT)	Right At Home Realty	YEMISI ALADEUSA
68	July 5th, 2021	Floriana Ottaviani	6:45pm-7:00pm (EDT)	5JJI Realty Inc	Tina Huang
69	July 7th, 2021	Floriana Ottaviani	5:00-5:15pm	Bay Sreet Group	Danny Junkai
70	July 7th, 2021	Floriana Ottaviani	5:15pm-5:30pm	Century 21 Dreams Inc	QIANQIAN HU
71	July 7th, 2021	Floriana Ottaviani	5:30pm-5:45pm	Colliers Macaulay	Newton Leung
72	July 8th, 2021	Floriana Ottaviani	4:45pm-5:00pm	Re/Max	Francis Voo
73	July 8th, 2021	Floriana Ottaviani	5:00pm-5:15pm	Master's Trust Realty Inc	Vicki Zheng
74	July 8th, 2021	Floriana Ottaviani	5:30pm-5:45pm	Royal Lepage	Jolyn Ting

# **Appendix “I”**

In the matter of the Proposal of Conforti Holdings Ltd.

Auction re: 7755 Warden Ave., Unit 2

Auction terms

An auction within the meaning of the Sale Process Order dated May 25, 2021 is necessary. The following are the terms that the Proposal Trustee is setting for the Auction, within the meaning of that Order:

1. The Auction shall take place commencing at 2:00pm (Toronto Time) on Thursday July 15, 2021 and shall end when bidding has concluded.
2. The Auction shall take place via Zoom. The details for the Zoom meeting are set out in Schedule A.
3. The Proposal Trustee will extend an invitation to Qualified Bidders (within the meaning of the Sale Process Order) on July 13, 2021 to attend the Auction.
4. Qualified Bidders who wish to participate in the Auction shall attend with the decision-maker(s) necessary to make bids within these terms at the Auction. Qualified Bidders may also bring any other advisors (i.e. brokers, lawyers) to attend with them.
5. Bidding shall proceed as follows:
  - a) Bidding shall start at the highest price offered by a Qualified Bidder.
  - b) Bids shall be in increments of at least \$100,000
  - c) Bidding shall proceed in periods of 15 minutes, during which Qualified Bidders may meet in Zoom break-out rooms with any advisors for 10 minutes, after which bids shall be presented for 5 minutes at the Zoom meeting.
  - d) At the conclusion of each 15 minute bidding period, the high bid at that point shall have 5 minutes to transmit a fully signed copy of the Bid Form and Amendment to Stalking Horse Purchase Agreement attached hereto at Schedule B to the Proposal Trustee at '[hans.rizarri@crowesoberman.com](mailto:hans.rizarri@crowesoberman.com)' and '[bissell@gsnh.com](mailto:bissell@gsnh.com)'. Failure to do so may result in disqualification from further participation in the Auction.
  - e) Following review by the Proposal Trustee of the Bid Form and Amendment to Stalking Horse Purchase Agreement from the previous round of bidding, a further round of bidding shall take place in accordance with paragraphs 5(c) and (d), above.
  - f) The bidding shall continue until there are no further bids, at which point the highest bid at that time is the winning bid at the Auction.

6. The Proposal Trustee reserves the right to amend these terms on notice to all Qualified Bidders.
7. The Proposal Trustee reserves the right to award the sale to a bid other than the highest bid at the auction having regard to any other material business terms in its sole discretion.
8. The Auction may be adjourned on such terms as the Proposal Trustee may determine are appropriate at any time.

Schedule A – Zoom meeting details

Join Zoom Meeting

<https://us06web.zoom.us/j/83568475486?pwd=WndHeHBRaXdDa3RaK3QvaFIVc2tkdz09>

Meeting ID: 835 6847 5486

Passcode: 402892

One tap mobile

+15873281099,,83568475486#,,,\*402892# Canada

+16473744685,,83568475486#,,,\*402892# Canada

Dial by your location

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 778 907 2071 Canada

+1 204 272 7920 Canada

+1 438 809 7799 Canada

Meeting ID: 835 6847 5486

Passcode: 402892

Find your local number: <https://us06web.zoom.us/u/kdnEcSQ6sU>

Schedule B

**BID FORM AND  
AMENDMENT TO STALKING HORSE ASSET PURCHASE AGREEMENT**

**BETWEEN:**

**CONFORTI HOLDINGS LIMITED**

(The “**Vendor**”)

-and-

---

(the “**Purchaser**”)

**RECITALS**

- A. On September 28, 2020, the Vendor filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the “**BIA**”) and appointed Crowe Soberman Inc. as proposal trustee (the “**Proposal Trustee**”);
- B. In connection with the Vendor’s proposal proceedings, the Vendor obtained the approval of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for a “stalking horse” sale process as set out in the Order dated May 25, 2021 (the “**Sale Process Order**”) whereby the Agreement between the Vendor and Cicaplus Ltd. dated as of May 5, 2021 serves as the stalking horse bid for the Purchased Assets (as defined herein).
- C. The Purchaser submitted an offer (the “**Purchaser’s Offer**”) to be considered by the Proposal Trustee as a “Qualified Bid” within the meaning of the Sale Process Order.
- D. An auction within the meaning of the Sale Process Order is necessary, at which the Purchaser has attended and wishes to submit the following bid as an amendment to the Purchaser’s Offer.

**SECTION 1– BID AND AMENDMENT TO THE PURCHASER’S OFFER**

**1.1 Definitions**

The defined terms used in this Bid Form and Amendment to Stalking Horse Asset Purchase Agreement have the meaning given in the Purchaser’s Offer unless otherwise indicated.

**1.2 Bid and Amendment to the Purchaser’s Offer**

The Purchaser’s Offer is hereby amended as follows:

- (a) the Purchase Price set out in section 2.2 shall be \_\_\_\_\_  
\_\_\_\_\_.;
- (b) the Purchaser’s Offer, as amended, shall be open for acceptance by the Proposal Trustee and the Vendor until 5:00 pm EDT on Thursday July 22, 2021; and
- (c) there are no other amendments to the Purchaser’s Offer other than as expressly set out herein.

**IN WITNESS WHEREOF** the Purchaser has executed this Bid Form and Amendment to its Offer to Purchase on July 15, 2021:

Purchaser:

**PURCHASER**

By: \_\_\_\_\_

Name:

Title:

I have the authority to bind the corporation

**ACCEPTED** by the Proposal Trustee this \_\_\_\_\_ day of July 15, 2021:

Trustee

CROWE SOBERMAN INC. solely as proposal trustee of Conforti Holdings Limited – an insolvent person, and not in its personal capacity.

Per:

\_\_\_\_\_

**ACCEPTED** by the Vendor this \_\_\_\_\_ day of July 15, 2021:

Vendor:

**CONFORTI HOLDINGS LIMITED**

By: \_\_\_\_\_

Name:

Title:

I have the authority to bind the corporation

# **Appendix “J”**

Schedule B

**BID FORM AND  
AMENDMENT TO STALKING HORSE ASSET PURCHASE AGREEMENT**

**BETWEEN:**

**CONFORTI HOLDINGS LIMITED**

(The "Vendor")

-and-

Cicaplus Ltd

(the "Purchaser")

**RECITALS**

A. On September 28, 2020, the Vendor filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the "BIA") and appointed Crowe Soberman Inc. as proposal trustee (the "Proposal Trustee");

B. In connection with the Vendor's proposal proceedings, the Vendor obtained the approval of the Ontario Superior Court of Justice (Commercial List) (the "Court") for a "stalking horse" sale process as set out in the Order dated May 25, 2021 (the "Sale Process Order") whereby the Agreement between the Vendor and Cicaplus Ltd. dated as of May 5, 2021 serves as the stalking horse bid for the Purchased Assets (as defined herein).

C. The Purchaser submitted an offer (the "Purchaser's Offer") to be considered by the Proposal Trustee as a "Qualified Bid" within the meaning of the Sale Process Order.

D. An auction within the meaning of the Sale Process Order is necessary, at which the Purchaser has attended and wishes to submit the following bid as an amendment to the Purchaser's Offer.

**SECTION 1– BID AND AMENDMENT TO THE PURCHASER'S OFFER**

**1.1 Definitions**

The defined terms used in this Bid Form and Amendment to Stalking Horse Asset Purchase Agreement have the meaning given in the Purchaser's Offer unless otherwise indicated.

**1.2 Bid and Amendment to the Purchaser's Offer**

The Purchaser's Offer is hereby amended as follows:

- (a) the Purchase Price set out in section 2.2 shall be 6,200,000;
- (b) the Purchaser's Offer, as amended, shall be open for acceptance by the Proposal Trustee and the Vendor until 5:00 pm EDT on Thursday July 22, 2021; and
- (c) there are no other amendments to the Purchaser's Offer other than as expressly set out herein.

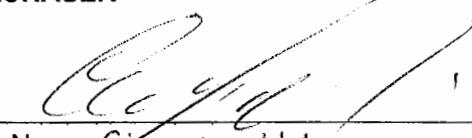
-5-

**IN WITNESS WHEREOF** the Purchaser has executed this Bid Form and Amendment to its Offer to Purchase on July 15, 2021:

Purchaser:

**PURCHASER**

By:

  
Name: Cicaplus Ltd  
Title: Antonio Conforti

I have the authority to bind the corporation

**ACCEPTED** by the Proposal Trustee this 15th day of July, 2021:

Trustee

CROWE SOBERMAN INC. solely as proposal trustee of Conforti Holdings Limited – an insolvent person, and not in its personal capacity.

Per:

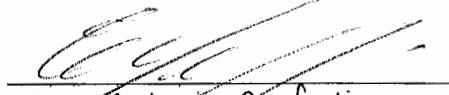


**ACCEPTED** by the Vendor this \_\_\_\_\_ day of July 15, 2021:

Vendor:

**CONFORTI HOLDINGS LIMITED**

By:

  
Name: Antonio Conforti

Title:

I have the authority to bind the corporation

**TAB 3**  
Draft approval and vesting order

Court File No. 31-2675593

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

THE HONOURABLE MADAM ) MONDAY, THE 23<sup>RD</sup>  
 )  
JUSTICE CONWAY ) DAY OF AUGUST, 2021

**IN THE MATTER OF THE PROPOSAL TO  
CREDITORS OF CONFORTI HOLDINGS  
LIMITED, A CORPORATION INCORPORATED  
UNDER THE ONTARIO BUSINESS  
CORPORATIONS ACT, R.S.O. 1990, C. B.16**

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**APPROVAL AND VESTING ORDER**

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THIS MOTION, made by Crowe Soberman Inc. in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) to the proposal to creditors proceeding of Conforti Holdings Limited (the “**Debtor**”) under the *Bankruptcy and Insolvency Act*, was heard this day at 330 University Avenue, Toronto, Ontario, by videoconference due to the COVID-19 pandemic.

ON READING the fifth report of the Proposal Trustee dated August 13, 2021 (the “**Fifth Report**”) and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor, counsel for the Purchaser, and such other counsel appearing as may be indicated on the counsel slip, no one appearing for any other person on the service list although properly served as more fully appears from the affidavit of service, filed:

## **I. NOTICE AND SERVICE**

1. THIS COURT ORDERS that the time for service of the motion record in respect of this motion and the Fifth Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.

## **II. APPROVAL AND VESTING ORDERS**

2. THIS COURT ORDERS AND DECLARES that the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Debtor and Cicaplus Ltd. (the “**Purchaser**”) dated May 5, 2021, of which a copy is appended as appendix “•” to the Fifth Report, as amended by amending agreement dated July 15, 2021, of which a copy is appended as appendix “•” to the Fifth Report, is hereby approved, and the execution of the Sale Agreement by the Debtor and the Proposal Trustee, as applicable, are hereby authorized and approved, with such minor amendments as the Proposal Trustee may deem necessary. The Debtor, under the supervision of the Proposal Trustee, and the Proposal Trustee, are 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 Debtor’s right, title and interest in and to the purchased assets described as such in the Sale Agreement (the “**Purchased Assets**”) to the Purchaser.

3. 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 Debtor’s right, title and interest

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

4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Toronto 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 as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in

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

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 that, notwithstanding:

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

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

**III. SEALING**

8. THIS COURT ORDERS that confidential appendix “1” to the Fifth Report is sealed from the public record until the filing of the Proposal Trustee’s Certificate or further court order.

**IV. MISCELLANEOUS**

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.

10. THIS COURT ORDERS that this order is effective from today’s date at 12:01 am and is not required to be issued or entered.

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**Schedule A – Form of Proposal Trustee’s Certificate**

Court File No. 31-2675593

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

**IN THE MATTER OF THE PROPOSAL TO  
CREDITORS OF CONFORTI HOLDINGS LIMITED, A  
CORPORATION INCORPORATED UNDER THE  
ONTARIO BUSINESS CORPORATIONS ACT, R.S.O.  
1990, C. B.16**

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**PROPOSAL TRUSTEE’S CERTIFICATE**

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**RECITALS**

A. Crowe Soberman Inc. acts as proposal trustee (in such capacity, the “**Proposal Trustee**”) to the proposal to creditors of Conforti Holdings Limited (the “**Debtor**”) under the *Bankruptcy and Insolvency Act*.

B. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 23, 2021, the Court approved the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Debtor and Cicaplus Ltd. (the “**Purchaser**”) dated May 5, 2021, as amended by amending agreement dated July 15, 2021, and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the purchased assets described as such in the Sale Agreement (the “**Purchased Assets**”), 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 Debtor, the Proposal Trustee and/or the Purchaser, as applicable; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE PROPOSAL TRUSTEE 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 Debtor, the Proposal Trustee and/or the Purchaser, as applicable; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at \_\_\_\_\_ on \_\_\_\_\_ .

**CROWE SOBERMAN INC., solely in its capacity as proposal trustee to proposal to creditors of Conforti Holdings Limited**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Schedule B – Purchased Assets (description of the Real Property)**

PIN: 29623-0002 (LT) (Land Registry Office No. 65)

Description: UNIT 2, LEVEL 1, YORK REGION STANDARD CONDOMINIUM PLAN NO. 1092 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 17 PL M1915, PTS 1 & 2 65R29659, MARKHAM; S/T & T/W AS SET OUT IN SCHEDULE 'A' OF DECLARATION YR1022011

**Schedule C – Specific claims to be deleted and expunged from title to Real Property (non-limitative)**

<b>Reg. Num.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Parties From</b>	<b>Parties To</b>
YR2371395	2015/10/14	CHARGE	CONFORTI HOLDINGS LIMITED	ROYAL BANK OF CANADA

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property**

**(unaffected by the Vesting Order)**

<b>Reg. Num.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Parties From</b>	<b>Parties To</b>
LA803357	1979/10/02	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF MARKHAM
YR157161	2002/06/12	NOTICE	THE CORPORATION OF THE TOWN OF MARKHAM	TALISKER (100 GOUGH) GP INC.
YR159402	2002/06/17	APL ANNEX REST COV	TALISKER (100 GOUGH) GP INC.	
YR780308	2006/02/22	NOTICE	THE CORPORATION OF THE TOWN OF MARKHAM	2067043 ONTARIO INC.
YR987438	2007/05/18	TRANSFER EASEMENT	2067043 ONTARIO INC.	THE CORPORATION OF THE TOWN OF MARKHAM
YRCP1092	2007/07/23	PLAN CONDOMINIUM		
YR1022011	2007/07/23	DECLARATION CONDO	2067043 ONTARIO INC.	
YR1031658	2007/08/07	CONDO BYLAW/98	YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1092	

**IN THE MATTER OF THE PROPOSAL TO CREDITORS OF CONFORTI HOLDINGS  
LIMITED, A CORPORATION INCORPORATED UNDER THE ONTARIO BUSINESS  
CORPORATIONS ACT, R.S.O. 1990, C. B.16**

Court File No.: 31-2675593

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**APPROVAL AND VESTING ORDER**

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
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Lawyers for Crowe Soberman Inc. in its capacity as  
proposal trustee to the proposal to creditors of  
Conforti Holdings Ltd.

## **TAB 4**

Comparison between Commercial List model approval and vesting order, and draft approval and vesting order

Court File No. 31-2675593

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

THE HONOURABLE MADAM ) WEEKDAY, MONDAY, THE #23<sup>RD</sup>  
JUSTICE CONWAY ) ) DAY OF MONTH, 20<sup>YR</sup> AUGUST, 2021

~~BETWEEN:~~

**PLAINTIFF**

~~Plaintiff~~

~~—and—~~

**DEFENDANT**

~~Defendant~~

IN THE MATTER OF THE PROPOSAL TO  
CREDITORS OF CONFORTI HOLDINGS  
LIMITED, A CORPORATION INCORPORATED  
UNDER THE ONTARIO BUSINESS  
CORPORATIONS ACT, R.S.O. 1990, C. B.16

---

**APPROVAL AND VESTING ORDER**

---

THIS MOTION, made by ~~[RECEIVER'S NAME]~~Crowe Soberman Inc. in its capacity as ~~proposal trustee (in such capacity,~~ the ~~Court appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [NAME OF~~

~~PURCHASER~~ (the "Purchaser") dated [DATE] and appended "Proposal Trustee") to the ~~Report of the Receiver~~ dated [DATE] (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and proposal to the assets described in the Sale Agreement (the "Purchased Assets"), creditors proceeding of Conforti Holdings Limited (the "Debtor") under the Bankruptcy and Insolvency Act, was heard this day at 330 University Avenue, Toronto, Ontario, by videoconference due to the COVID-19 pandemic.

ON READING the ~~Report~~fifth report of the Proposal Trustee dated August 13, 2021 (the "Fifth Report") and on hearing the submissions of counsel for the ~~Reeeiver~~, ~~[NAMES OF OTHER PARTIES APPEARING]~~, Proposal Trustee, counsel for the Debtor, counsel for the Purchaser, and such other counsel appearing as may be indicated on the counsel slip, no one appearing for any other person on the service list, although properly served as more fully appears from the affidavit of ~~[NAME]~~ sworn ~~[DATE]~~ service, filed<sup>†</sup>:

## I. NOTICE AND SERVICE

1. THIS COURT ORDERS that the time for service of the motion record in respect of this motion and the Fifth Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.

## II. APPROVAL AND VESTING ORDERS

<sup>†</sup>~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

4.2. THIS COURT ORDERS AND DECLARES that the Transactionsale transaction (the “Transaction”) contemplated by an agreement of purchase and sale (the “Sale Agreement”) between the Debtor and Cicaplus Ltd. (the “Purchaser”) dated May 5, 2021, of which a copy is appended as appendix “•” to the Fifth Report, as amended by amending agreement dated July 15, 2021, of which a copy is appended as appendix “•” to the Fifth Report, is hereby approved,<sup>2</sup> and the execution of the Sale Agreement by the Receiver<sup>3</sup> is Debtor and the Proposal Trustee, as applicable, are hereby authorized and approved, with such minor amendments as the ReceiverProposal Trustee may deem necessary. The Receiver is Debtor, under the supervision of the Proposal Trustee, and the Proposal Trustee, are 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 AssetsDebtor's right, title and interest in and to the purchased assets described as such in the Sale Agreement (the “Purchased Assets”) to the Purchaser.

2.3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver'sProposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “Receiver's“Proposal Trustee's Certificate””), all of the Debtor'sDebtor's right, title and interest in and to the Purchased Assets described

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

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

~~in the Sale Agreement [and listed on Schedule B hereto]~~<sup>4</sup> shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise ~~(collectively, the "Claims")~~ including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by ~~the Order of the Honourable Justice [NAME] dated [DATE]; court order in this proceeding;~~ (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system;<sup>5</sup> and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances",) which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3.4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the ~~[Registry Division of ] [LOCATION] of a Transfer/Deed of Land in the form~~

<sup>4</sup> ~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

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

~~prescribed by the *Land Registration Reform Act* duly executed by the Receiver~~~~[Land Titles Division of {LOCATION}]~~Land Titles Division of Toronto of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*<sup>6</sup>, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4.5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds<sup>7</sup> from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the ~~Receiver's~~Proposal Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale<sup>8</sup>, 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.

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

<sup>6</sup>~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

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

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

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

7. THIS COURT ORDERS that, notwithstanding:

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

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

### III. SEALING

8. THIS COURT ORDERS ~~AND DECLARES~~ that confidential appendix “1” to the Transaction Fifth Report is exempt~~sealed~~ from the application~~public record until the filing~~ of the Bulk Sales Act (Ontario)~~Proposal~~ Trustee’s Certificate or further court order.

### IV. MISCELLANEOUS

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

10. THIS COURT ORDERS that this order is effective from today’s date at 12:01 am and is not required to be issued or entered.

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**Schedule A – Form of ~~Receiver's~~~~Proposal~~ Trustee's Certificate**

Court File No. 31-2675593

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

**BETWEEN:**

**PLAINTIFF**

**Plaintiff**

**—and—**

**DEFENDANT**

**Defendant**

**RECEIVER'S IN THE MATTER OF THE PROPOSAL  
TO CREDITORS OF CONFORTI HOLDINGS  
LIMITED, A CORPORATION INCORPORATED  
UNDER THE ONTARIO BUSINESS CORPORATIONS  
ACT, R.S.O. 1990, C. B.16**

---

**PROPOSAL TRUSTEE'S CERTIFICATE**

---

**RECITALS**

A. Crowe Soberman Inc. acts as proposal trustee (in such capacity, the “Proposal Trustee”)  
to the proposal to creditors of Conforti Holdings Limited (the “Debtor”) under the Bankruptcy  
and Insolvency Act.

B. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior  
Court of Justice (Commercial List) (the “Court”) dated [DATE OF ORDER], [NAME OF

~~RECEIVER] was appointed as the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor").~~

~~B. Pursuant to an Order of the Court dated [DATE], August 23, 2021, the Court approved the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale Agreement") between the Receiver [Debtor] and [NAME OF PURCHASER]Cicaplus Ltd. (the "Purchaser") dated May 5, 2021, as amended by amending agreement dated July 15, 2021, and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the purchased assets, described as such in the Sale Agreement (the "Purchased Assets"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ReceiverProposal 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 section • of the Sale Agreement have been satisfied or waived by Debtor, the ReceiverProposal Trustee and/or the Purchaser, as applicable; and (iii) the Transaction has been completed to the satisfaction of the ReceiverProposal Trustee.~~

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

THE RECEIVERPROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the ReceiverProposal 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 section • of the Sale Agreement have been satisfied or waived by the ReceiverDebtor, the Proposal Trustee and/or the Purchaser, as applicable; and

3. The Transaction has been completed to the satisfaction of the ReeeeiverProposal Trustee.
  
4. This Certificate was delivered by the ReeeeiverProposal Trustee at \_\_\_\_\_-[TIME] on  
\_\_\_\_\_-[DATE].

[NAME OF RECEIVER], CROWE SOBERMAN INC., solely in its capacity as Receiverproposal trustee to proposal to creditors of the undertaking, property and assets of [DEBTOR], and not in its personal capacity  
Conforti Holdings Limited

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Schedule B – Purchased Assets (description of the Real Property)**

PIN: 29623-0002 (LT) (Land Registry Office No. 65)

Description: UNIT 2, LEVEL 1, YORK REGION STANDARD CONDOMINIUM PLAN NO. 1092 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 17 PL M1915, PTS 1 & 2 65R29659, MARKHAM; S/T & T/W AS SET OUT IN SCHEDULE 'A' OF DECLARATION YR1022011

**Schedule C – Specific claims to be deleted and expunged from title to Real Property (non-limitative)**

<u>Reg. Num.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Parties From</u>	<u>Parties To</u>
<u>YR2371395</u>	<u>2015/10/14</u>	<u>CHARGE</u>	<u>CONFORTI HOLDINGS LIMITED</u>	<u>ROYAL BANK OF CANADA</u>

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property**

**(unaffected by the Vesting Order)**

<b><u>Reg. Num.</u></b>	<b><u>Date</u></b>	<b><u>Instrument Type</u></b>	<b><u>Parties From</u></b>	<b><u>Parties To</u></b>
<u>LA803357</u>	<u>1979/10/02</u>	<u>NO SUB AGREEMENT</u>		<u>THE CORPORATION OF THE TOWN OF MARKHAM</u>
<u>YR157161</u>	<u>2002/06/12</u>	<u>NOTICE</u>	<u>THE CORPORATION OF THE TOWN OF MARKHAM</u>	<u>TALISKER (100 GOUGH) GP INC.</u>
<u>YR159402</u>	<u>2002/06/17</u>	<u>APL ANNEX REST COV</u>	<u>TALISKER (100 GOUGH) GP INC.</u>	
<u>YR780308</u>	<u>2006/02/22</u>	<u>NOTICE</u>	<u>THE CORPORATION OF THE TOWN OF MARKHAM</u>	<u>2067043 ONTARIO INC.</u>
<u>YR987438</u>	<u>2007/05/18</u>	<u>TRANSFER EASEMENT</u>	<u>2067043 ONTARIO INC.</u>	<u>THE CORPORATION OF THE TOWN OF MARKHAM</u>
<u>YRCP1092</u>	<u>2007/07/23</u>	<u>PLAN CONDOMINIUM</u>		
<u>YR1022011</u>	<u>2007/07/23</u>	<u>DECLARATION CONDO</u>	<u>2067043 ONTARIO INC.</u>	
<u>YR1031658</u>	<u>2007/08/07</u>	<u>CONDO BYLAW/98</u>	<u>YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1092</u>	

**IN THE MATTER OF THE PROPOSAL TO CREDITORS OF CONFORTI HOLDINGS  
LIMITED, A CORPORATION INCORPORATED UNDER THE ONTARIO BUSINESS  
CORPORATIONS ACT, R.S.O. 1990, C. B.16**

Court File No.: 31-2675593

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

**APPROVAL AND VESTING ORDER**

**GOLDMAN SLOAN NASH & HABER LLP**  
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**Lawyers for Crowe Soberman Inc. in its capacity as  
proposal trustee to the proposal to creditors of  
Conforti Holdings Ltd.**

## **TAB 5**

Service list as of August 13, 2021

## SERVICE LIST

<b>TO:</b>	<b>CROWE SOBERMAN INC.</b> 2 St. Clair Avenue East, Suite 1100 Toronto, ON M4T 2T5  <b>Hans Rizarri</b> Tel: 416.963.7175 <a href="mailto:hans.rizarri@crowesoberman.com">hans.rizarri@crowesoberman.com</a>  Proposal Trustee
<b>AND TO:</b>	<b>GOLDMAN SLOAN NASH &amp; HABER LLP</b> 480 University Avenue Suite 1600 Toronto, ON M5G 1V2  <b>Brendan Bissell</b> Tel: 416.597.6489 Fax: 416.597.3370 <a href="mailto:bissell@gsnh.com">bissell@gsnh.com</a>  <b>Joël Turgeon</b> Tel: 416.597.6486 <a href="mailto:turgeon@gsnh.com">turgeon@gsnh.com</a>  Counsel for the Proposal Trustee
<b>AND TO:</b>	<b>THE TORONTO-DOMINION BANK</b> 2960 Kingsway Drive Kitchener, ON N2C 1X1
<b>AND TO:</b>	<b>THE TORONTO-DOMINION BANK</b> 3100 Howard Avenue Windsor, ON N8X 3Y8
<b>AND TO:</b>	<b>THE TORONTO-DOMINION BANK</b> PO Box 215, 1800 Sheppard Avenue East Willowdale, ON M2J 5A7
<b>AND TO:</b>	<b>VW CREDIT CANADA INC.</b> 4865 Marc-Blain St., Suite 300 St-Laurent, QC H4R 3B2
<b>AND TO:</b>	<b>BMW CANADA INC.</b> 50 Ultimate Drive Richmond Hill, ON L4S 0C8
<b>AND TO:</b>	<b>THE TORONTO-DOMINION BANK</b> 1 King Street & Yonge Street Toronto, ON M5H 1A1

<b>AND TO:</b>	<p><b>TORYS LLP</b> 79 Wellington St. W., 30<sup>th</sup> Fl Box 270, TD South Tower Toronto, ON M5K 1N2</p> <p><b>David Bish</b> Tel: 416.865.7353 Fax: 416.865.7380 dbish@torys.com</p> <p>Counsel for The Cadillac Fairview Corporation Limited</p>
<b>AND TO:</b>	<p><b>GARDINER ROBERTS LLP</b> Bay Adelaide Centre – East Tower 22 Adelaide St. W Suite 3600 Toronto, ON M5H 4E3</p> <p><b>S. Michael Citak</b> Tel: 416.865.6706 Fax: 416.865.6636 mcitak@grlp.com</p> <p>Counsel for Oxford Properties Group</p>
<b>AND TO:</b>	<p><b>CAMELINO GALESSIERE LLP</b> 6 Adelaide Street East, Suite 220 Toronto, ON M5C 1H6</p> <p><b>Linda Galessiere</b> Tel: 416.306.3827 lgalessiere@cglegal.ca</p> <p>Counsel for Ivanhoe Cambridge Inc., Morguard REIT, and RioCan REIT</p>
<b>AND TO:</b>	<p><b>BLANEY MCMURTRY LLP</b> 2 Queen Street East, Suite 1500 Toronto, ON M5C 3G5</p> <p><b>John C. Wolf</b> Tel: 416.593.2994 Fax: 416.596.2044 jwolf@blaney.com</p> <p>Counsel for Brookfield Properties</p>

<b>AND TO:</b>	<p><b>GOWLINGS WLG</b> 1 First Canadian Place, 100 King Street West Suite 1600 Toronto, ON M5X 1G 5</p> <p><b>Clifton Prophet</b> Tel: 416.862.3509 Fax: 416.863.3509 Clifton.prophet@gowlingwlg.com</p> <p>Counsel for Moroccanoil, Inc.</p>
<b>AND TO:</b>	<p><b>ATTORNEY GENERAL OF CANADA</b> Department of Justice Canada Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1</p> <p><b>Diane Winters</b> Tel: 647.256.7459 Fax: 416.973.0810 Diane.winters@justice.gc.ca</p> <p>Lawyers for the Minister of National Revenue</p>
<b>AND TO:</b>	<p><b>MINISTRY OF FINANCE (ONTARIO)</b> Legal Services Branch 777 Bay Street, 11<sup>th</sup> Floor Toronto, ON M5G 2C8</p> <p><b>Kevin O'Hara</b> Tel: 416.327.8463 Kevin.ohara@ontario.ca</p>

**EMAIL SERVICE LIST**

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Kevin.ohara@ontario.ca; jwolf@blaney.com; Clifton.prophet@gowlingwlg.com

**IN THE MATTER OF THE PROPOSAL TO CREDITORS OF CONFORTI HOLDINGS  
LIMITED, A CORPORATION INCORPORATED UNDER THE ONTARIO BUSINESS  
CORPORATIONS ACT, R.S.O. 1990, C. B.16**

Court/Estate File No. 31-2675593

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST  
Proceeding commenced in TORONTO**

**MOTION RECORD  
(motion for approval and vesting order)  
(returnable August 23, 2021)**

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
Toronto (ON) M5G 1V2

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**Joël Turgeon** (LSO #80984R)  
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Email: [turgeon@gsnh.com](mailto:turgeon@gsnh.com)

Lawyers for Crowe Soberman Inc. in its capacity as  
proposal trustee to the proposal to creditors of Conforti  
Holdings Ltd.