

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

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

IN BANKRUPTCY AND INSOLVENCY

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

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

**MOTION RECORD OF 1482241 ONTARIO LIMITED
(Returnable February 2, 2018)**

January 31, 2018

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN BANKRUPTCY AND INSOLVENCY

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

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

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TAB 1

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

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

IN BANKRUPTCY AND INSOLVENCY

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

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

**NOTICE OF MOTION
(Returnable February 2, 2018)**

**THE MOVING PARTY, 1482241 Ontario Limited (“148 Ontario” or the
“Company”)**, will make a motion to the Court to be heard, on Friday, February 2, 2018, at 9:00
a.m., or as soon after that time as the motion can be heard at 330 University Avenue, Toronto,
Ontario, M5G 1R7.

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

THE MOTION IS FOR:

1. An Order substantially in the form attached at Tab 3 of the Motion Record, *inter alia*:
 - a) abridging the time for and validating the service of the Notice of Motion and the Motion Record; and
 - b) extending the time for 148 Ontario to file a proposal to and including March 22, 2018;

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

THE GROUNDS FOR THE MOTION ARE:

Background

1. 148 Ontario is the registered owner of the lands and premises located at 240 Duncan Mill Road, Toronto, Ontario ("**Duncan Mill Property**"), a multi-unit, commercial building;
2. On October 13, 2017, 148 Ontario commenced restructuring proceedings under the *Bankruptcy and Insolvency Act* ("**BIA**") by filing a Notice of Intention to Make a Proposal ("**NOI**");
3. Crowe Soberman Inc. is the proposal trustee with respect to the Company's NOI ("**Proposal Trustee**");
4. On November 3, 2017, the Honourable Mr. Justice Hailey approved a sale solicitation process with respect to the Duncan Mill Property ("**Sales Process**"), granted an administration charge in favour of the Proposal Trustee and other professionals, and approved a debtor-in-possession funding arrangement ("**DIP**") between 148 Ontario and Caruda Holdings Ltd. ("**DIP Lender**") ("**November 3rd Order**");
5. In accordance with the November 3rd Order, the Proposal Trustee engaged Avison Young as property manager for the Duncan Mill Property. Avison Young has been collecting rent from tenants at the Duncan Mill Property, and otherwise managing the building;
6. Pursuant to the Order of Justice Hailey, dated December 20, 2017, the deadline for the Company to file a proposal was extended to February 5, 2018. The Court also extended the Bid Deadline and various milestones under the Sales Process;

Business Operations and Sales Process

7. Due to the extremely cold weather and the age of the Duncan Mill Property, there was a flood at the building over the holiday season. The Company worked with Avison Young, specialized engineers and other entities to remedy the flood and restore heat to the Duncan Mill Property as soon as possible, and this issue has now been resolved;
8. The weather and the flood also exacerbated issues with the mechanical heating system and boiler plant at the Duncan Mill Property. The Proposal Trustee obtained two engineering reports with respect to recommendations in regards to the boiler plant. Since the issues with the heating system are no longer considered urgent, Avison Young has recommended that the boiler plant does not need to be replaced this winter season;
9. The Duncan Mill Property otherwise continues to operate in the normal course;
10. The Company continues to seek tenants to occupy the Duncan Mill Property at a rate that the Company's principal deems appropriate in order to maximize value for the Company's creditors;
11. Funds have been advanced in accordance with the Court's December 20th Order to pay the outstanding realty taxes with respect to the Duncan Mill Property, and those taxes have now been paid in full;
12. On January 26, 2018, counsel for the Proposal Trustee requested that the Company make a request to Caruda Holdings Ltd. ("**DIP Lender**") for an advance under the DIP Loan (as defined in the Motion Record) in the amount of \$200,000 to cover outstanding payables;

13. The Company is reviewing the Proposal Trustee's letter and the disbursements set out therein. The Company has concerns with the manner in which Avison Young has been managing the Company's rent, and has asked for a reconciliation of these funds. Absent more information, the Company is not prepared to recommend the DIP Lender make the requested advance under the DIP Loan;
14. The Company's principal, Alain Checroune, has expressed an interest to the Proposal Trustee in bidding for the Company's business and assets under the Sales Process either through the DIP Lender, another corporate entity, or personally. Consequently, the Company has not had any input or involvement in the Sales Process, which is being conducted by the Proposal Trustee in accordance with the Orders of this Court;
15. Pursuant to the December 20th Order, the Bid Deadline for submitting binding offers under the Sales Process was extended to February 15, 2018, which offers will remain open for acceptance by the Proposal Trustee until February 19, 2018;

Extension of time to make a Proposal

16. The time for filing the proposal pursuant to the November 3rd Order expired on December 22, 2017;
17. On December 20, 2017, the Court extended the time for the Company to file its proposal to and including February 5, 2018, and also extended certain milestones under the Sales Process;
18. The Company requires an extension of time so that the Proposal Trustee can continue to carry out the Sale Process, and for the Company to make a proposal to its creditors;

19. The Company has acted and continues to act in good faith and with due diligence in these proceedings;
20. 148 Ontario will likely be able to make a viable proposal if the extension of time to and including March 22, 2018 is granted;
21. No creditors would be materially prejudiced if the stay of proceedings continued to the requested date;
22. The extension period requested is within the 6 month period provided by under the BIA, and the extension being sought is 45 days, which is the maximum allowed under the BIA;
23. Subsection 50.4(9) provides the Court with the jurisdiction to extend the stay of proceedings;
24. The inherent jurisdiction of this Honourable Court;
25. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Affidavit of Alain Checroune, sworn January 31, 2018; and,
2. The Third Report of the Proposal Trustee, to be filed;

3. Such further and other evidence as counsel may advise and this Honourable Court may permit.

January 31, 2018

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TAB 2

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

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

IN BANKRUPTCY AND INSOLVENCY

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

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

**AFFIDAVIT OF ALAIN CHECROUNE
(Sworn January 31, 2018)**

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

1. I am the President and a director and officer of 1482241 Ontario Limited ("**148 Ontario**" or the "**Company**"), and as such I have personal knowledge of the matters to which I depose to herein. Where this affidavit is based upon information received from others, I have identified the source of that information, and verily believe that information to be true.
2. I swear this affidavit in support of a motion brought by 148 Ontario for an Order extending the time for 148 Ontario to file a proposal to and including March 22, 2018.

Background

3. 148 Ontario is the registered owner of 240 Duncan Mill Road, Toronto, Ontario (the "**Property**"). The Property is a multi-unit, commercial building located near the intersection of Highway 401 and Don Mills Road in Toronto, Ontario. The Company has no other business or

material assets.

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

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

6. The time for filing a proposal pursuant to the November 3rd Order expired on December 22, 2017. On December 20, 2017, Justice Hailey extended the time for the Company to file its proposal to February 5, 2018, and also extended the deadline for certain milestones under the Sales Process. A copy of the Court’s Order, dated December 20, 2017 is attached hereto and marked as **Exhibit “B”**.

7. The balance of this affidavit provides an update on the Company’s operations following the December 20th Order.

Operations of the Company

8. In accordance with the November 3rd Order, the Proposal Trustee engaged Avison Young as property manager for the Property.

9. Over the Christmas holidays, there was a flood at the Property due to the extremely cold weather and the age of the building. As a result of the flooding, water to the building had to be shut off, which also resulted in the building's heating system turning off.

10. The Company worked with the Proposal Trustee, Avison Young and Copperhead Mechanical Ltd., which specializes in the supply and installation of boilers and heating equipment, as well as other entities to address the issue as soon as possible. Heat was restored to the Property within a few days.

11. The cold weather and flood at the Property also exacerbated issues with the mechanical heating system and boilers.

12. The Company has contacted its insurer who attended at the premises during the flood. The Company, Avison Young and the Proposal Trustee are reviewing what further steps to take with the insurer.

13. On January 12, 2018, the Proposal Trustee obtained an engineering report from Weinstein Taylor & Associates with respect to the Property's heating issues and its three existing boilers ("**Weinstein Report**"), which was provided to Company's counsel. Attached hereto and marked as **Exhibit "C"** is a copy of the Weinstein Report. The Weinstein Report found that the boilers did not meet current safety codes due to carbon monoxide issues and issues with the boilers' safety controls, which created a fire hazard. The Weinstein Report recommended that the boilers be replaced at a cost of \$450,000 to the Company.

14. The Proposal Trustee addressed any issues with respect to carbon monoxide by installing carbon monoxide detectors throughout the Property.

15. The Company was of the view that the Weinstein Report was alarmist and impractical in its recommendations.

16. On January 17, 2018, the Company's lawyers met with Avison Young, the Proposal Trustee and counsel for the Proposal Trustee to discuss the Weinstein Report. The Company's view was that the Weinstein Report exaggerated the gravity of the safety concerns regarding the boilers. The Company was concerned about a significant expenditure at this stage of the restructuring and the Sales Process. The parties agreed that, before any steps were taken to address a permanent solution to the heating situation (which was again fully functional by this point), Avison Young and the Proposal Trustee would obtain a second engineering opinion and additional quotes for any necessary repairs.

17. A second report was obtained from Hind Engineering Ltd. following a site visit on January 18, 2018 ("**Hind Report**"), attached hereto as **Exhibit "D"** While the Hind Report found that the boiler plant is old and in poor condition, it did not recommend repairs with the same urgency as the Weinstein Report. As a result, I am advised by Mr. Ullmann that the Court appointment originally scheduled for January 25th to address heating issues at the Property was vacated by the Proposal Trustee. Additionally, I am further advised by my lawyer that, in light of the recommendations in the Hind Report, Avison Young is satisfied that the boiler plant does not need to be replaced this winter season.

18. Notwithstanding the issues outlined above, the Property continues to operate in the normal course. Rent continues to be paid by the tenants and collected by Avison Young.

19. The Company continues to seek tenants for the unoccupied square footage at the Property. I believe that the proposed rental rates being offered to potential new tenants are appropriate, and

that having more tenanted space maximizes value for the Company and its stakeholders.

20. Pursuant to the Order of Justice Hainey, dated December 20, 2017, the Court authorized the Company to borrow funds under a credit facility from Dan Realty Corporation, E. Manson Investments Limited and Copperstone Investments Limited in order to pay the outstanding realty taxes with respect to the Property ("**Property Tax DIP Loan**").

21. Funds were advanced in accordance with the terms of the Property Tax DIP Loan and the outstanding property taxes have now been paid in full.

Proposed Advance under the DIP Loan

22. Pursuant to the November 3rd Order, the Court approved a credit facility between the Company and Caruda Holdings Ltd. ("**DIP Lender**") in the amount of \$750,000 ("**DIP Loan**") to be drawn and to fund anticipated cash flow shortages on a month-by-month basis.

23. On January 26, 2018, counsel for the Proposal Trustee wrote a letter to counsel for the Company requesting that it make a request of the DIP Lender for an advance under the DIP Loan in the amount of \$200,000. The advance is required according to the Proposal Trustee to cover outstanding payables that cannot be otherwise covered by the rent. Attached hereto and marked as **Exhibit "E"** is a copy of the letter from Proposal Trustee's counsel, dated January 26, 2018, which includes the proposed advances and the payments made in December and January.

24. As mentioned above, Avison Young is now the property manager, and has been collecting rent at the Property. We have concerns about the manner in which Avison Young has managed these funds, and particularly about the disbursement listings attached to the letter attached as Exhibit "E". I have made these concerns known to the Proposal Trustee. I believe that if the funds

were better managed, there would be no need for an advance under the DIP loan, or at least a much smaller one.

25. As shown in Exhibit "E", the Company made all payments due in December and had a \$13,000 surplus. It is my belief that the Company will have sufficient funds to meet its immediate needs even without the proposed advance if the funds are better managed.

26. To the extent there are any amounts owing to any third party suppliers of goods or services which cannot be paid immediately from cash flow in February, those parties can be paid from the sale proceeds which, under the Sale Process, are expected within 60 days. Many of the invoices which the Proposal Trustee recommends paying are only 35 to 40 days old.

27. The Company is reviewing Avison Young's disbursements and has asked for a reconciliation of these monies. It was my understanding that Avison Young was to be paid \$10,000 per month, but I note that in the months of December and January they have been paid an aggregate of approximately \$70,000. I don't understand why this is. The company does not approve of these payments to Avison Young without further explanation.

28. Without additional information regarding these invoices and disbursements, the Company is not prepared to make the funding request to the DIP Lender.

Sales Process

29. In accordance with the timelines under the Sales Process, on December 15, 2017, I advised the Proposal Trustee that I would be bidding in the Sales Process either through the DIP Lender, another corporate entity, or in my personal capacity, although this last option is unlikely. Given that I have expressed an interest in bidding for the Company's business and assets, the Company

has had no involvement or input into the Sales Process since December 15th, in accordance with this Court's November 3rd Order.

30. Pursuant to the December 20th Order, the Bid Deadline for submitting binding offers under the Sales Process was extended to February 15, 2018, which offers will remain open for acceptance by the Proposal Trustee until February 19, 2018.

Outstanding Litigation

31. All of the actions against 148 Ontario and Mr. Checroune continue to be stayed under the relevant provisions of the *Bankruptcy and Insolvency Act*. This section of the affidavit will advise this Honourable Court of the relevant events and actions taken by 148 Ontario and Mr. Checroune in respect of this on-going litigation.

32. There was an appeal before the Ontario Court of Appeal scheduled to be heard on January 8, 2018 in the matter styled *2144688 Ontario Ltd. v. 1482241 Ontario Ltd.* Court File No. CV-10-416517. Counsel for 148 Ontario corresponded with the Court of Appeal to have the pending appeal date vacated or adjourned. Ultimately, the Appeal Scheduling Unit of the Court removed the pending appeal from the Court's list with the note that "when the appeal is to be re-scheduled, this office is to be notified with notice to all parties." Attached hereto and marked as **Exhibit "F"** is a true copy of email correspondence from the Court of Appeal dated January 2, 2018.

33. The trial decision in *2144688 Ontario Ltd. v. 1482241 Ontario Ltd.* Court File No. CV-10-416517 also ordered that a \$100,000 deposit made by the plaintiff in that action and held by the former solicitors for 148 Ontario, Devry Smith Frank, be repaid to the plaintiff, 2144688 Ontario Ltd. As this matter is still under appeal, 148 Ontario has not authorized the release of this deposit

which 148 Ontario understands is still being held in Devry Smith Frank's trust account.

34. In the matters styled *North York Family Physicians Holdings Inc. v 1482241 Ontario Limited*, Court File No. CV-12-462542; and *1482241 Ontario Ltd. v. North York Family Physicians Holdings Inc.* Court File No. CV-12-456185, 148 Ontario has appointed Youngman Law Professional Corporation ("**Youngman Law**") as its lawyers in both action. 148 Ontario intends to proceed with these matters. Attached hereto and marked as **Exhibit "G"** is a true copy of the Notice of Change of Lawyers for the matter bearing Court File No. CV-12-462542, dated December 21, 2017. Youngman Law is still attempting to serve and file a Notice of Change of Lawyers in the second matter.

35. Gowling WLG, former counsel for 148 Ontario, brought motions to have themselves removed as lawyers of record in all of the matters in which they were representing 148 Ontario and obtained the orders sought. Gowling WLG has since asked 148 Ontario to consent to lifting the stay in order for their accounts to be assessed. The Company has not consented to lift the stay for this purpose.

Stay Extension

36. Since the date of the filing of the NOI, 148 Ontario has been acting in good faith and with due diligence, and continues to act in this manner in its relationships with its tenants, employees, contractors, and creditors, and in pursuing a restructuring plan and a sale of the Property.

37. The Proposal Trustee is continuing to sell the Property in accordance with the Sales Process. The Company requires additional time to allow for the sale of the Property and to formulate and file a proposal for the benefit of its creditors. I believe that 148 Ontario will likely

be able to make a viable proposal if the extension of time being applied were granted. The Company remains optimistic about the Sales Process and believes that it will generate a bid that will see significant recovery for the Company's creditors.

38. The Company has sufficient funds to operate during the proposed stay. All professional fees continue to be deferred pending the sales proceeds becoming available.


39. I am not aware of any creditor that would be materially prejudiced if the stay of proceedings continued to the requested date. I am also not aware of any party that objects to the proposed extension.

40. I swear this affidavit in support of 148 Ontario's motion for an Order extending the time to file a proposal to and including March 22, 2018, and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 31th day of January, 2018.



A Commissioner for Taking Affidavits, etc.

} 

ALAIN CHECROUNE

This is Exhibit "A" referred to in the Affidavit of Alain Checroune
sworn before me this 31st day of January, 2018

A handwritten signature in black ink, appearing to be 'D. Ullmann', written over a horizontal line.

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

David Ullmann



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

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

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

IN BANKRUPTCY AND INSOLVENCY

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

ORDER

THIS MOTION made by 1482241 Ontario Limited (“**Debtor**”) for an Order *inter alia*:
(a) granting a charge in respect of the fees and expenses of counsel to the Debtor, Crowe Soberman Inc. in its capacity as Licensed Insolvency Trustee with respect to the Debtor (in this capacity, “**Proposal Trustee**”), and Proposal Trustee’s counsel; (b) approving a sale solicitation process (“**Sale Process**”) with respect to the assets and business of the Debtor; (c) approving the interim financing of the Debtor and the DIP Term Sheet (defined below) and granting the DIP Lender’s Charge (as defined below); and (d) extending the time within which a Proposal must be filed to and including December 27, 2017, was heard this day at 330 University Avenue, Toronto, Ontario.

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

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counsel for the Debtor and counsel for the Proposal Trustee, and those other parties present, no one appearing for any other person on the service list, although duly served as appears of the affidavit of service of Alexandra Teodorescu, filed.

SERVICE

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

ADMINISTRATION CHARGE

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

DIP FINANCING

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First - the Administration Charge; and

Second - the DIP Lender’s Charge

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

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

- 4 -

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

APPROVAL OF SALE PROCESS

8. **THIS COURT ORDERS** that the Sale Process, as described in Appendix ^C~~B~~ to ~~the~~ ^{this order} ~~First Report~~, be and is hereby approved.

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

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

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

- 5 -

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

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

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

- 6 -

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

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

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

- 7 -

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

EXTENSION OF TIME TO FILE PROPOSAL

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

GENERAL

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

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtor, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

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

APPENDIX "A"



SINGAPORE
HONG KONG
CANADA

November 1, 2017

To: 1482241 Ontario Limited

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

Attention: Mr. Alain Checroune

Dear Mr. Checroune, Alain:

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

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

The terms of the loan are as follows:

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

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

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

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

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

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

Amortization: Interest only.






SINGAPORE
HONG KONG
CANADA

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

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

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

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

Brokerage Fee: None

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



SINGAPORE
HONG KONG
CANADA

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

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

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

Yours truly,

CARUDA HOLDINGS LTD.

Per: _____

Andy Degan
Chief Financial Officer, Secretary
Member of the Board
Shareholder





SINGAPORE
HONG KONG
CANADA

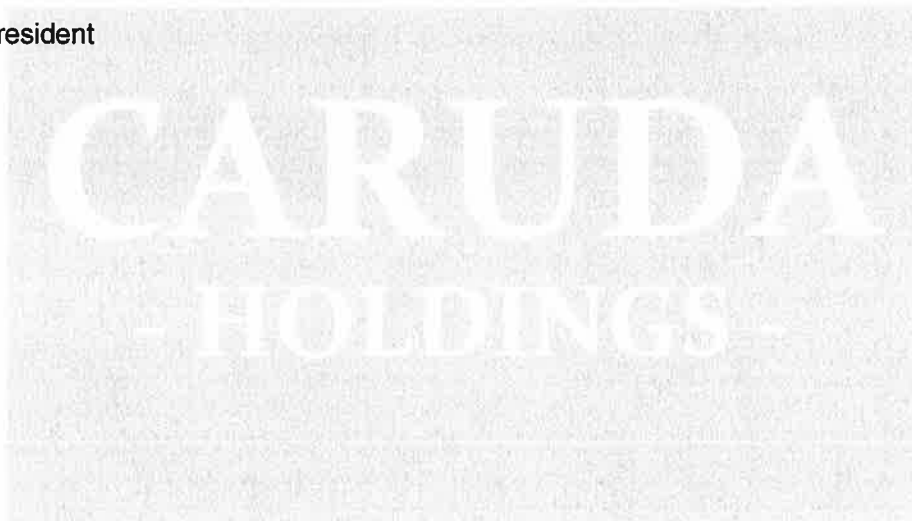
The foregoing is agreed to by the undersigned

1482241 Ontario Limited

Per: _____

Name: Alain Checroune

Title: President



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

SERVICE

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

ADMINISTRATION CHARGE

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

DIP FINANCING

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First - the Administration Charge; and

Second - the DIP Lender's Charge

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

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

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

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

APPROVAL OF SALE PROCESS

- 8. **THIS COURT ORDERS** that the Sale Process, as described in Appendix “E” to the First Report, be and is hereby approved.
- 9. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized and directed to perform its obligations under and in accordance with the Sale Process, and to take such further steps as it considers necessary or desirable in carrying out the Sale Process.
- 10. **THIS COURT ORDERS** that, in accordance with its obligations under the Sales Process, the Proposal Trustee is hereby empowered and authorized, but not obligated, to do any of the following where the Proposal Trustee considers it necessary or desirable:

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

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

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

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

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

EXTENSION OF TIME TO FILE PROPOSAL

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

GENERAL

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

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtor, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

APPENDIX "B"

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

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Totals
CASH INFLOWS							
Rental Income	\$85,213	\$85,213	\$85,213	\$85,213	\$85,213	\$85,213	\$391,280
Parking	\$20,195	\$20,195	\$20,195	\$20,195	\$20,195	\$20,195	\$121,170
Tenant Recoveries	\$79,703	\$79,703	\$79,703	\$79,703	\$79,703	\$79,703	\$478,221
Sale of Building (NOTE 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Court Approved Interim Financing / DIP Loan	\$0	\$84,000	\$81,000	\$87,000	\$87,000	\$188,000	\$535,000
TOTAL INCOME	\$185,112	\$249,112	\$266,112	\$282,112	\$282,112	\$351,112	\$1,525,871
CASH OUTFLOWS							
Snow Removal	\$0	\$0	\$2,889	\$2,889	\$2,889	\$2,889	\$11,556
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities (Electricity, Gas, Water)	\$27,891	\$59,891	\$59,891	\$59,891	\$59,891	\$97,334	\$97,334
Cleaning/Janitorial	\$11,061	\$11,061	\$11,061	\$11,061	\$11,061	\$11,061	\$327,345
Repairs & Maintenance	\$34,788	\$34,788	\$34,788	\$34,788	\$34,788	\$34,788	\$86,386
Property Management Fees	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$208,808
Office Administration	\$2,845	\$2,845	\$2,845	\$2,845	\$2,845	\$2,845	\$63,000
HST Remittance	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$17,072
Payroll Expenses	\$21,828	\$21,828	\$21,828	\$21,828	\$21,828	\$21,828	\$90,000
Professional Fees - Legal (NOTE 2)	\$0	\$0	\$0	\$0	\$0	\$21,828	\$129,788
Professional Fees - Proposal Trustee (NOTE 2)	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0
Professional Fees - Accounting/Consulting	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$5,000
Vehicle expense	\$1,873	\$1,873	\$1,873	\$1,873	\$1,873	\$1,873	\$54,000
TOTAL EXPENSES	\$138,668	\$166,668	\$169,455	\$189,455	\$189,455	\$268,789	\$1,081,287
Net cash	\$46,444	\$82,444	\$96,657	\$92,657	\$92,657	\$82,323	\$444,584
Repayment of 1st Mortgage	\$0	\$88,750	\$88,750	\$88,750	\$88,750	\$88,750	\$343,750
Repayment of 2nd Mortgage	\$0	\$15,187	\$15,187	\$15,187	\$15,187	\$15,187	\$75,833
NET cash after repayment of mortgage	\$46,444	\$67,267	\$107,907	\$77,467	\$77,467	\$67,136	\$368,750
	\$25,646	\$24,175	\$26,814	\$25,654	\$24,304	\$24,800	

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

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

ASSUMPTIONS**Rental Income**

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

Payroll

Has been reduced for coal savings.

Payables

Listed on a COD basis

Sale of Building (NOTE 1)

148's restructuring and proposal will be based on the sale and marketing of real property located 240 Duncan Mill Road, Toronto, Ontario
It is forecasted that a sales process and marketing will run for approximately 45-80 days with a closing scheduled for January or February 2018

Professional Fees (NOTE 2)

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

CERTIFICATION

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

Dated this 19th day of October 2017

1482241 Ontario Limited

Per: Alain Ouellet

Dated this 19th day of October 2017

CROWE SOBERMAN INC.

Licensed Insolvency Trustee Acting In re: Proposal of 1482241 Ontario Limited

Per: Hans Rehm, CMA, CA, CFP, LIT



Government
of Canada

Gouvernement
du Canada

Update filing - update is confirmed

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

Estate Information

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

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

Document(s) submitted

The following document(s) have been successfully submitted

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

Reference

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

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

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

Date modified: 2017-07-28



Government
of Canada

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du Canada

Update filing - update is confirmed

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

Estate Information

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

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

Document(s) submitted

The following document(s) have been successfully submitted

- Cash Flow Statement

Reference

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

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

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

Date modified: 2017-07-28

APPENDIX A

1482241 ONTARIO LIMITED

SALES PROCESS – OCTOBER 26, 2017

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

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

12.13.	Execution of Binding Agreement with Successful Offer	January 31, 2018
13.14.	Seek Court approval of agreement of purchase and sale and obtain a vesting order (" Approval Order ") for sale of the Property on or prior to February 15, 2018	On or prior to February 15, 2018
14.15.	Close sale to successful purchaser on or prior to February 28, 2018	On or prior to February 28, 2018

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

| [30836285.2](#)

DRAFT

IN BANKRUPTCY AND INSOLVENCY

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

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

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

Proceeding commenced at TORONTO

ORDER

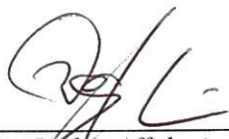
BLANEY McMURTRY LLP
Barristers and Solicitors
1500 - 2 Queen Street East
Toronto, ON M5C 3G5

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

Alexandra Teodorescu (LSUC #63889D)
Tel: (416) 596-4279
Fax: (416) 594-2506
ATEodorescu@blaney.com

Lawyers for 1482241 Ontario Limited

This is Exhibit "B" referred to in the Affidavit of Affidavit of Alain
Checroune sworn before me this 31st day of January, 2018

A handwritten signature in black ink, appearing to be 'DU', written over a horizontal line.

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

David Ullmann



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

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

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

IN BANKRUPTCY AND INSOLVENCY

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

ORDER

THIS MOTION made by 1482241 Ontario Limited (“**Debtor**”) for an Order *inter alia*:
(a) extending the time within which a proposal must be filed to and including February 5, 2018;
(b) amending certain milestones set out in the Sale Process (as defined below); and (c) authorizing and empowering the Debtor to obtain and borrow under a credit facility in order to repay the realty taxes outstanding with respect to the property municipally known as 240 Duncan Mill Road, Toronto (the “**Property**”) and granting a charge to secure advances under that facility on the terms as set out below, was heard this day at 330 University Avenue, Toronto, Ontario.

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

- 2 -

appearing for any other person on the service list, although duly served as appears in the affidavit of service of Alexandra Teodorescu, filed.

SERVICE

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

AMENDMENTS TO SALE PROCESS

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

EXTENSION OF TIME TO FILE PROPOSAL

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

DIP FINANCING

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

- 3 -

5. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Debtor and the DIP Lender dated as of December 19, 2017 (the “**Commitment Letter**”), substantially in the form attached to the affidavit of Alexandra Teodorescu, sworn December 19, 2017.
6. **THIS COURT ORDERS** that the Tax DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the “**Tax DIP Lenders’ Charge**”) on the Property which shall have the priority set out in paragraph 10 hereof.
7. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order and any other order made in this proceeding:
- (a) the Tax DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the Tax DIP Lenders’ Charge; and
 - (b) the rights and remedies of the Tax DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.
8. **THIS COURT ORDERS AND DECLARES** that the Tax DIP Lenders shall be treated as unaffected in any proposal filed by the Debtor under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Commitment Letter.
9. **THIS COURT ORDERS** that the filing, registration or perfection of the Tax DIP Lenders’ Charge shall not be required, and that the Tax DIP Lenders’ Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered,

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

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

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

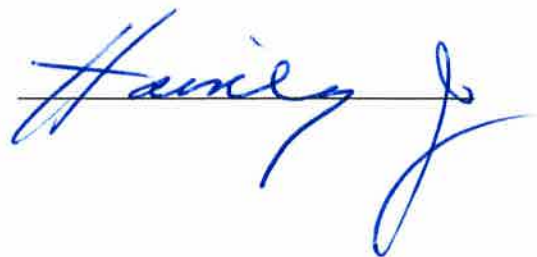
12. **THIS COURT ORDERS** that the Commitment Letter and/or the Tax DIP Lenders' Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Tax DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations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

- 5 -

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

GENERAL

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtor, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

A handwritten signature in blue ink, appearing to read "Hamilton", is written over a horizontal line.

IN BANKRUPTCY AND INSOLVENCY

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at **TORONTO**

ORDER

BLANEY McMURTRY LLP
Barristers and Solicitors
1500 - 2 Queen Street East
Toronto, ON M5C 3G5

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

Alexandra Teodorescu (LSUC #63889D)
Tel: (416) 596-4279
Fax: (416) 594-2506
ATeodorescu@blaney.com

Lawyers for 1482241 Ontario Limited

This is Exhibit "C" referred to in the Affidavit of Alain Checroune
sworn before me this 31st day of January, 2018



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

David Ullmann



Weinstein Taylor & Associates
Consulting Engineers Retrofit Specialists

259 Danforth Avenue
Toronto, ON M4K 1N2

January 12, 2018

From the desk of:
Charles Martin, P.Eng
charles@wtaeng.com
416 463-6662 x 123
Cell: 416 434-4171

Mr. Hans Rizarri
Crowe Soberman Inc.
2 St. Clair Avenue East, Suite 1100
Toronto, Ontario
M4T 2T5

**Re: 240 Duncan Mill Rd, Toronto, ON
Engineering Assessment of Heating System**

240 Duncan Road is an 8 story commercial building with medical offices, a daycare centre and other commercial tenants. This building has been having numerous heating system failures including repeated instances of the perimeter radiators freezing. At times, the building has been uninhabitable due to flooding as a result of freezing radiators and lack of heat.

Weinstein Taylor & Associates were requested to assess the condition of the heating plant at the above facility and to recommend measures to prevent further loss of heat and freezing of perimeter radiators.

The boiler plant once had four atmospheric boilers. Three of these boilers remain. They appear to be original to the building. **The boiler plant does not meet current safety codes for the following reasons:**

- **The plant does not meet combustion air requirements. This can lead to the production of carbon monoxide, which is a health and safety issue.** An opening in the outside wall of 400 sq. inches is required to meet the requirements of the code. As the boiler room walls are constructed of cast concrete, making a new opening will be an expensive endeavor. There is an existing opening in the floor for ventilation but that does not meet the requirements of the fire code or the gas code.
- **The safety controls are not reliable. This is a fire hazard.** The safety controls, flow switches, limit and operating controls have been physically damaged, mal-adjusted and jimmy-rigged to the point that they can no longer be considered reliable or safe. This could cause an explosion or fire.



In our experience, the cost of the boilers including other required alterations to the boiler piping and pumping will cost in the range of \$ 450,000 including engineering costs.

Yours sincerely,

Charles Martin, P. Eng.



This is Exhibit "D" referred to in the Affidavit of Affidavit of Alain
Checroune sworn before me this 31st day of January, 2018

A handwritten signature in black ink, appearing to be 'D. Ullmann', written over a horizontal line.

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

David Ullmann

MECHANICAL SITE REVIEW REPORT

240 DUNCAN MILL ROAD

Toronto, Ontario

Prepared by:



Hind Engineering Ltd.

181 Carlaw Ave. Suite 216 Toronto, ON, M4M 2S1
(416)-463-4463 www.hindengineering.ca

19 January 2018

TABLE OF CONTENTS

- 1. INTRODUCTION**
- 2. HEATING SYSTEM**
- 3. DISCUSSION**
- 4. RECOMMENDATIONS**

1. INTRODUCTION

- 1.1. The purpose of this study is to report on the condition of the existing mechanical heating systems and to identify required modifications to these systems to help ensure they provide adequate building heating for this winter heating season.
- 1.2. The condition report is based on a site visit conducted on January 18, 2018, and discussions with the operating staff. There were no mechanical drawings available for review. There are very few operational temperature and pressure gauges in the system. Temperature readings were taken with a hand held laser thermometer. The outdoor temperature was 25°F at the time of the inspection.
- 1.3. We understand that during the last cold spell in late December and early January, the building heating system was found to be deficient and freezing of some pipes occurred.

2. HEATING SYSTEM

2.1. BOILERS

- 2.1.1. The heating system comprises five gas fired hot water boilers, two of which have been abandoned, leaving three operational boilers. The boilers are natural draft gas fired boilers. The nameplate data indicates that the boilers are Laars model HB 2450 with an input of 2,450,000 Btu/hr. On this basis the output should be about 1,960,000 Btu/hr. If this heating capacity is available, then the building should have sufficient heat for a design day. However, based on the condition of the boilers and the observed operation, it is unlikely that full capacity is available.
- 2.1.2. The boilers are old and in extremely poor condition. All controllers were set for a supply temperature of over 200°F however the boiler output was significantly less at 130°F to 140°F. It is not clear if the controls are working or if the boiler safeties are operational.
- 2.1.3. The circulating pump for boiler #2 was cavitating indicating low suction pressure. Boiler #2 operation was also unusual as the boiler would cycle for only a short period of time before shutting down and would only raise the water temperature to about 130°F. This indicates that the boiler will not provide full heating capacity and may be suffering from low flow.
- 2.1.4. Boiler #3 did not operate although it appeared to be enabled for operation. This indicates the controls may not be operational.

2.1.5. Boiler #4 was operating with an inlet temperature of 105°F and a leaving temperature of 140°F. Assuming the circulating pump is operating at design, the capacity of this boiler may be reasonable. However, operating these boilers with a low inlet temperature can result in flue gas condensation and corrosion of the stack and boiler. If this has been going on for some time then significant corrosion damage may have already occurred.

2.2. PERIMETER HEATING

2.2.1. Heating is provided to each floor using a perimeter induction system with induction units located around the perimeter under the glass. Each induction unit includes a supply air nozzle and a heating coil. It is understood that the heating coils are currently being cleaned. This is imperative to ensure air can be induced through the coil to provide heat for the space.

2.2.2. The induction units are supplied with conditioned air from a central air handling unit located in the penthouse. The induction unit air handling unit was operational and supplying air at about 72°F. The hot water supplied to the air handling unit heating coil was 120°F. The fresh air dampers were all closed.

2.2.3. The perimeter hot water heating loop was operating at 95°F supply and 90°F return. We understand the control valve used to set this temperature is not operating automatically. It is important that the supply temperature of this system be set to meet the heating requirement of the space.

2.2.4. It is understood that hot water flow is not available in some areas. The hot water distribution system must be balanced to allow hot water to all induction units for heating.

3. DISCUSSION

3.1. The existing boiler plant is old and in very poor condition and may not have adequate capacity to provide heat on a design day. Overall, the boilers cannot be depended on to provide continuous, adequate heating for the building.

4. RECOMMENDATIONS

4.1. We strongly recommend the following actions be taken immediately:

4.1.1. Provide full time supervision of the heating plant by a mechanical technician when the outdoor air temperature is below freezing due to the lack of automatic controls and reliability of the system.

4.1.2. Test, adjust and repair all boiler safeties and controls.

4.1.3. Test flow and heating capacity of each boiler. Correct problems with boiler #2 and its associated circulating pump. Based on the results of this analysis, a new boiler(s) may be required immediately.

- 4.1.4. Clean all induction unit coils. Test, repair and calibrate control valves for induction units.
- 4.1.5. Balance hot water distribution system to provide design flow to each induction unit.
- 4.1.6. Repair controls to perimeter heating loop temperature control valve and schedule hot water temperature to suit original design requirements.
- 4.2. In addition to the above, it is strongly recommended that the heating boilers be replaced prior to the next heating season and that the complete heating system including controls be updated.

This is Exhibit "E" referred to in the Affidavit of Affidavit of Alain
Cheroune sworn before me this 31st day of January, 2018

A handwritten signature in black ink, appearing to be 'D. Ullmann', written over a horizontal line.

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

David Ullmann



Miranda Spence
 Direct: 416.865.3414
 Email: mspence@airdberlis.com

January 26, 2018

VIA EMAIL (dullmann@blaney.com)

Blaney McMurtry LLP
 2 Queen Street East, Suite 1500
 Toronto, ON M5C 3G5

Attention: David T.Ullmann

Dear Counsel:

RE: 1482241 Ontario Limited (the "Debtor")

AND RE: Court File No. 31-2303814 (the "Proposal Proceedings")

**AND RE: The Real Property Municipally Described as 240 Duncan Mill Road,
 Toronto, ON (the "Duncan Mill Property")**

As you are aware, we are counsel to the proposal trustee in the above-referenced Proposal Proceedings. The Debtor and the proposal trustee have jointly retained Avison Young Real Estate Management Services Ontario Inc. ("**Avison Young**") to manage the Duncan Mill Property.

We enclose three draft accounting documents prepared by Avison Young. The first document is a deposit register, which shows the rental income that Avison Young has collected from tenants of the Duncan Mill Property in December 2017 and January 2018. The second document is a disbursements listing showing payments made by Avison Young in relation to the management of the Duncan Mill Property in December 2017. The third document is a disbursements listing for January 2018 showing payments made to date, payables invoiced but not yet paid, and payables accrued but not yet paid (the "**Disbursements Listing**").

You will see from the Disbursements Listing that Avison Young requires an advance under the DIP loan in the amount of \$194,224.90, in order to cover outstanding payables. This amount is approximately consistent with the cash flow filed by the Debtor in support of the approval of the DIP loan, which estimated advances under the DIP loan in the amounts of \$91,000 for December 2017, and \$87,000 for January 2018.

On the basis of the enclosed documents, we hereby request that the Debtor make a request of the DIP lender for an advance under the DIP loan in the amount of \$200,000. In light of the recent challenges relating to maintenance at the Duncan Mill Property, and the costs associated with same, our view is that a request for \$200,000 is reasonable and appropriate.

We look forward to hearing from you at your earliest convenience. Should you wish to discuss the contents of this letter, the proposal trustee and I will make ourselves available for a call.

Page 2

Yours very truly,

AIRD & BERLIS LLP

A handwritten signature in black ink, appearing to read "Miranda Spence", is written over the typed name and extends upwards into the "Yours very truly," line.

Miranda Spence
MS/dcm

cc: Client

Encl.

31593145.1

JANUARY 1 TO 31, 2018 DISBURSEMENTS LISTING

PAYEE	AMOUNT	PYMT CYCLE	PYMT STATUS
DISBURSEMENTS MADE			
CHAITONS LLP IN TRUST	68,750.01	MTHLY	Paid
AVISON YOUNG	20,637.77	MTHLY	Paid
JANODDEE INVESTMT LTD & MEADOWSHIRE INVESTMNTS	15,167.00	MTHLY	Paid
TORONTO HYDRO (Oct 23 to Nov 23, 2017)	36,977.36	MTHLY	Paid
AVISON YOUNG	156.52	MTHLY	Paid
MTCC 918	1,150.02	MTHLY	Paid
1482241 Ontario Inc	13,982.61	ONE TIME	Paid
Retainer to GCY LLP	10,000.00	ONE TIME	Paid
148 Payroll - January 26, 2018	9,195.49	ONE TIME	Paid
SUBTOTAL	176,016.78		

PAYABLES INVOICED

COLLIERS INTERNATIONAL	26,970.28	ONE TIME	Not Paid
ENBRIDGE GAS DISTRIBUTION INC. (Nov 25-Dec 26/17)	12,946.09	MTHLY	Not Paid
TREASURER, CITY OF TORONTO - Water	4,385.40	MTHLY	Not Paid
Office Central	92.38		Not Paid
ProFire Safety - elev. & fire panel mon. (Jan-Apr)	452.00		Not Paid
ProFire Safety - monthly testing - Nov 2017	559.35	MTHLY	Not Paid
Assume - ProFire monthly testing - Dec 17 & Jan 18	1,118.70	MTHLY	Not Paid
Husky Landscaping - January snow removal (monthly)	4,294.00	MTHLY	Not Paid
Trident Elevator - January elevator maint. (monthly)	1,808.00	MTHLY	Not Paid
Arcamm Electric - Dec 12/17 service call re contactor	352.56	Not Paid	Not Paid
Rogers - 148 office (suite 800; 2 phone lines, fax, Int.), Dec 7/17-Jan 6/18	140.24	MTHLY	Not Paid
Rogers - elevator, Dec 7/17-Jan 6/18	23.52	MTHLY	Not Paid
Rogers - fire panel, Dec 7/17-Jan 6/18	23.52	MTHLY	Not Paid
Rogers - 148 office (suite 800; 2 phone lines, fax, Int.), Jan 7-Feb 6/18	159.79	MTHLY	Not Paid
Rogers - elevator, Jan 7-Feb 6/18	23.73	MTHLY	Not Paid
Rogers - fire panel, Jan 7-Feb 6/18	23.73	MTHLY	Not Paid
Orkin - Dec 2017 pest control (monthly)	138.56	MTHLY	Not Paid
Assume - Orkin Jan 2017 pest control	138.56	MTHLY	Not Paid
Cascades Recovery - waste & recycling - Nov 2017	731.22	MTHLY	Not Paid
IT Naisys invoice - Avison office tech support	62.50		Not Paid
Copperhead Mech - 2nd flo W/C svc. Call - Dec 21/17	465.79		Not Paid
Copperhead Mech - Site insps - Dec 18, 19, 20/17	1,993.04		Not Paid
Peregrine Protection - Security mobile - Nov 26-30/17	140.12		Not Paid
Peregrine Protection - Security mobile-Nov 31-Dec 31/17	1,488.78	MTHLY	Not Paid
Peregrine Protection - Fire Watch, 4-7 Jan 2018	2,621.60		Not Paid
Peregrine Protection - Fire Watch, 8-11 Jan 2018	2,883.76		Not Paid
Retainer to GCY LLP	10,000.00	ONE TIME	Not Paid
AC Realty	27,076.16		Not Paid
Husky Landscaping - salt bins & walkway closure	666.70		Not Paid
Roy Turk Industrial Sales Ltd - cleaning-W/C supplies inv.	1,202.59		Not Paid
Weinstein Taylor & Associates - Engineering	18,938.80		Not Paid
Trident Elevator - TSSA work (pit steel & governor rope)	15,827.46		Not Paid
Fire panel repair -	16,006.45		Not Paid
Copperhead Mech (invoiced)	24,496.00		Not Paid
Winford Services - Emergency flood clean up - Dec 26/17	14,040.25		Not Paid
TORONTO HYDRO (Nov 23 to Dec 23, 2017)- Due 31 Jan/18	34,616.87		Not Paid
SUBTOTAL	226,910.50		

PAYABLES ACCRUED AND HOLDBACK

GDI Cleaning Services - vent cleaning - est to 15 Jan/18	14,000.00		Not Paid
Copperhead Mech (estimated)	30,000.00		Not Paid
Wagner Andrews Kovacs (appraiser)	8,939.43		Not Paid
Emergency Holdback	60,000.00		Not Paid
ProFire Safety - Correct Annual Insp deficiencies	6,000.00		Not Paid
Arcamm Electric - 60 HP heating fan motor	9,700.00		Not Paid
Arcamm Electric - supply & inst contactor for 60HP heating motor	1,412.50		Not Paid
SUBTOTAL	130,051.93		

TOTAL PAYMENTS/EXPENSES FOR JAN 18

	532,979.21
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LESS PAYMENTS MADE/PAYABLES ACCRUED & HOLDBACK

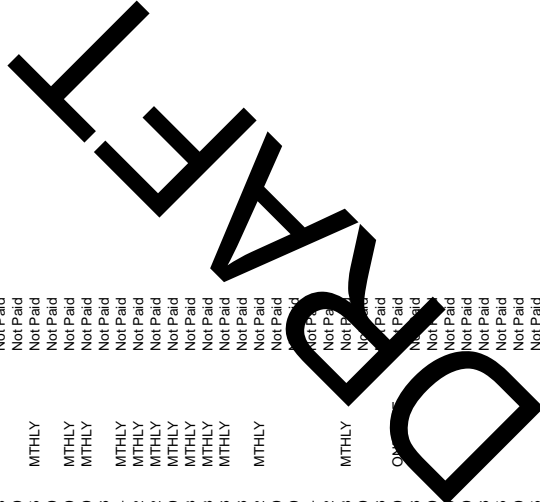
	306,068.71
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LESS CURRENT CASH BALANCE- as of Jan 25 2018

	32,685.60
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DIP Loan Requirement

	194,224.90
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DECEMBER 1 TO 31, 2017 DISBURSEMENTS LISTING

PAYEE	AMOUNT	PYMT CYCLE	PYMT APPROVED	PYMT STATUS
CHAITONS LLP IN TRUST	68,750.01	MTHLY	Yes	Paid
AVISON YOUNG	46,556.00	MTHLY	Yes	Paid
AVISON YOUNG	499.38	ONE-TIME	Yes	Paid
ICHELSON, STEVE	89.14	ONE-TIME	Yes	Paid
1482241 ONTARIO LIMITED	29,542.71	MTHLY	Yes	Paid
ENBRIDGE GAS DISTRIBUTION INC. (Aug 26-Nov 24/17)	442.53	MTHLY	Yes	Paid
HOME DEPOT CREDIT SERVICES	2,716.92	ONE-TIME	Yes	Paid
ORKIN CANADA CORPORATION	139.56	MTHLY	Yes	Paid
ROGERS	347.75	MTHLY	Yes	Paid
ROY TURK INDUSTRIAL SALES LTD.	1,849.52	ONE-TIME	Yes	Paid
AVISON YOUNG	579.01	MTHLY	Yes	Paid
PEREGRINE PROTECTION INC	144.98	MTHLY	Yes	Paid
ACCURATE OVERHEAD LIMITED	576.19	ONE-TIME	Yes	Paid
1482241 ONTARIO LIMITED	2,097.56	ONE-TIME	Yes	Paid
MTCC 918	2,300.04	MTHLY	Yes	Paid
JANODEE INVESTMT LTD & MEADOWSHIRE INVESTMENTS	15,167.00	MTHLY	Yes	Paid
TRIDENT ELEVATOR COMPANY LIMITED	1,808.00	MTHLY	Yes	Paid
GREEN GRASS LAWN SPRINKLERS LTD	111.87	ONE-TIME	Yes	Paid
CASCADES RECOVERY +	1,426.46	MTHLY	Yes	Paid
INDY ELECTRIC SOLUTIONS	431.38	ONE-TIME	Yes	Paid
HUSKY LANDSCAPING SERVICES	4,294.00	MTHLY	Yes	Paid
TREASURER, CITY OF TORONTO - Water	4,282.16	MTHLY	Yes	Paid
CONTINGENCY for EXPENSES				
BANKING ACTIVITY	31.09	MTHLY	Yes	Paid
TOTAL PAYMENTS ISSUED FOR DEC 17	184,182.36			
FUNDS DEPOSITED IN DEC 2017	197,702.99			
CASH BALANCE DEC 31, 2017	13,520.63			

1/26/2018 3:50 PM

240 Duncan Mill Road (of14801)

Deposit Register

Date = 12/01/2017 - 12/31/2017

Name	Property	Unit	Tenant	Period	Date	December 2017Amount	Check #	Deposit #	January 2018 Amount
(bko14801) - 1 12/01/2017									
Apollo CRD Inc.	of14801	200B	t0004184	12-2017	12/1/2017	7,869.24	000108	1	7,869.24
Dr. Anca Radulescu, Dentistry Professional (	of14801	300	t0004214	12-2017	12/1/2017	3,754.89	002776	1	3,754.89
8413550 Canada Inc.	of14801	303	t0004208	12-2017	12/1/2017	3,390.00	V1142	1	3,390.00
DMC Law	of14801	401	t0004217	12-2017	12/1/2017	4,402.30	000110	1	4,402.30
Wlin Technology Company Ltd.	of14801	408	t0004218	12-2017	12/1/2017	5,891.33	000425	1	5,891.33
PharmAchieve Corporation Limited	of14801	501	t0004188	12-2017	12/1/2017	6,861.09	1253	1	7,316.45
Laureate International College	of14801	510	t0004190	12-2017	12/1/2017	4,452.91	001274	1	4,402.30
Lipinski Audiology Professional Corporation	of14801	803	t0004186	12-2017	12/1/2017	2,639.56	000894	1	2,639.56
1405067 Ontario Inc.	of14801	804	t0004187	12-2017	12/1/2017	8,479.49	002655	1	8,479.49
Granit Hospitality and Catering Inc.	of14801	B100	t0004173	12-2017	12/1/2017	3,911.99	0208	1	3,711.99
Moatfield Foundation	of14801	EPARK	t0004216	12-2017	12/1/2017	5,024.19	010697	1	5,024.19
Total (bko14801) - 1 12/01/2017						56,676.99			56,881.74
(bko14801) - 2 12/04/2017									
8713588 Canada Corp	of14801	100	t0004180	12-2017	12/4/2017	25,987.46	000450	2	26,236.46
North York Family Physicians, Holdings Inc.	of14801	102	t0004215	12-2017	12/4/2017	19,075.81	00014	2	19,075.81
Neuronic Works Inc.	of14801	405	t0004182	12-2017	12/4/2017	8,880.15	000630	2	10,248.05
Total (bko14801) - 2 12/04/2017						53,943.42			55,560.32
(bko14801) - 3 12/08/2017									
Allevio Inc.	of14801	101	t0004174	12-2017	12/8/2017	13,151.60	001063	3	13,151.60
Total (bko14801) - 3 12/08/2017						13,151.60			13,151.60
(bko14801) - 4 12/07/2017									
GI Capital Corp	of14801	806	t0004185	12-2017	12/7/2017	6,822.58	003856	4	6,822.58
Total (bko14801) - 4 12/07/2017						6,822.58			6,822.58
(bko14801) - 5 12/05/2017									
North York Family Health Team Inc.	of14801	301	t0004177	12-2017	12/5/2017	2,725.40	000952	5	1,356.00
North York Family Health Team Inc.	of14801	301	t0004177	12-2017	12/5/2017	2,304.11	000962	5	2,304.11
North York Family Health Team Inc.	of14801	301	t0004177	12-2017	12/5/2017	51,791.34	000963	5	51,791.34
North York Family Health Team Inc.	of14801	301	t0004177	12-2017	12/5/2017	3,980.94	000964	5	3,980.94
Realty Point Inc. (moved out Dec 31/17)	of14801	403	t0004189	12-2017	12/5/2017	4,415.27	04	5	0.00
Shahrzad Hazrati	of14801	404	t0004181	12-2017	12/5/2017	1,891.34	000336	5	1,891.34
Total (bko14801) - 5 12/05/2017						67,108.40			61,323.73
Grand Total					December	197,702.99		January	193,739.97

This is Exhibit "F" referred to in the Affidavit of Affidavit of Alain
Checroune sworn before me this 31st day of January, 2018

A handwritten signature in black ink, appearing to read 'D. Ullmann', is written above a horizontal line.

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

David Ullmann

Ariyana Botejue

From: Schirripa, Mary (MAG) <Mary.Schirripa@ontario.ca>
Sent: January-02-18 3:07 PM
To: Suzana Perik; stephen@chaitons.com; mspence@airdberlis.com;
natasha.carew@gowlingwlg.com; doug@chaitons.com;
christopher.stanek@gowlingwlg.com; michaelk@chaitons.com; David T. Ullmann; Aaron
Grossman
Cc: Miranda, Lily (MAG)
Subject: FW: 2144688 Ontario Ltd. v. 1482241 Ontario Ltd - Court of Appeal File No. C61953 -
adjourned.

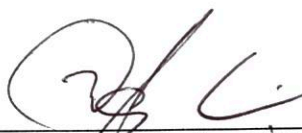
Good afternoon, please be advised that the above-mentioned appeal has now been adjourned pending the outcome of the Bankruptcy process. As a result, this appeal has now been removed from the court's list for Monday January 8, 2018 in Courtroom No. One.

When the appeal is to be re-scheduled, this office is to be notified with notice to all parties.

Thank you.

Mary Schirripa
Coordinator, Appeal Scheduling Unit
Court of Appeal for Ontario
(416) 327-5034

This is Exhibit "G" referred to in the Affidavit of Alain Checroune
sworn before me this 31st day of January, 2018

A handwritten signature in black ink, appearing to be 'D. Ullmann', written over a horizontal line.

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

David Ullmann

Court File No. CV-12-462542

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

NORTH YORK FAMILY PHYSICIANS HOLDINGS INC.

Applicant

and

1482241 ONTARIO LIMITED

Respondent

NOTICE OF CHANGE OF LAWYER

The respondent, formerly represented by Gowling WLG (Canada) LLP, has appointed Youngman Law Professional Corporation as lawyers of record.

December 21, 2017

YOUNGMAN LAW PROFESSIONAL CORPORATION
Barristers & Solicitors
65 Queen St. West Suite: 200
Toronto ON M5H 2M5

Derek Ketelaars (67154R)
Tel: 416-363-3351
Fax: 416-363-0252

Lawyers for the respondent

TO: **GOWLING WLG (CANADA) LLP**
1 First Canadian Place
100 King Street West
Suite 1600
Toronto ON
M5X 1G5

Tel: 416-862-7525
Fax: 416-862-7661

Former Lawyers for the respondent

AND TO: **DICKINSON WRIGHT LLP**
Barristers and Solicitors
199 Bay Street
Suite 2200
Commerce Court
Toronto ON
M5L 1G4

Michael Brzezinski
MBrzezinski@dickinsonwright.com
Tel: 416-777-2394
Fax: 844-670-6009

Lawyers for the applicant

1482241 ONTARIO LIMITED
Applicant

-and-
Respondent

NORTH YORK FAMILY PHYSICIANS HOLDINGS INC.

Court File No. CV-12-456185

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF CHANGE OF LAWYER

YOUNGMAN LAW PROFESSIONAL CORPORATION
Barristers & Solicitors
65 Queen St. West Suite: 200
Toronto ON M5H 2M5

Derek Ketelaars (67154R)
Tel: 416-363-3351
Fax: 416-363-0252

Lawyers for the respondent

File Number: MAT12244

TAB 3

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

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

THE HONOURABLE	)	FRIDAY, THE 2 ND DAY
)	
MR. JUSTICE HAINEY	)	OF FEBRUARY, 2018

IN BANKRUPTCY AND INSOLVENCY

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

ORDER

THIS MOTION made by 1482241 Ontario Limited (“**Debtor**”) for an Order extending the time within which a proposal must be filed to and including March 22, 2018 was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Alain Checroune, sworn January 30, 2018, the Third Report of Crowe Soberman Inc., in its capacity as Licensed Insolvency Trustee with respect to the Debtor (in such capacity, the “**Proposal Trustee**”), dated ●, and on hearing the submissions of counsel for the Debtor and counsel for the Proposal Trustee, and those other parties present, no one appearing for any other person on the service list, although duly served as appears in the affidavit of service of ●, filed.

SERVICE

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

EXTENSION OF TIME TO FILE PROPOSAL

2. **THIS COURT ORDERS** that the time in which the Debtor is required to file a proposal is hereby extended to and including March 22, 2018.

IN BANKRUPTCY AND INSOLVENCY

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at **TORONTO**

**MOTION RECORD OF 1482241 ONTARIO LIMITED
(Returnable February 2, 2018)**

BLANEY McMURTRY LLP

Barristers and Solicitors
1500 - 2 Queen Street East
Toronto, ON M5C 3G5

David Ullmann (LSUC #423571)

Tel: (416) 596-4289

Fax: (416) 594-2437

dullmann@blaney.com

Alexandra Teodorescu (LSUC #63889D)

Tel: (416) 596-4279

Fax: (416) 594-2506

Ateodorescu@blaney.com

Lawyers for 1482241 Ontario Limited