

Court File No. 31-2303814
Estate 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**

**MOTION RECORD OF THE PROPOSAL TRUSTEE
(motion returnable March 16, 2018)**

Date: March 7, 2018

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(as of March 7, 2018)

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**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**

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**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**

**NOTICE OF MOTION
(returnable March 16, 2018)**

Crowe Soberman Inc. (“**Crowe**”), in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (“**148**”, the “**Company**” or the “**Debtor**”) will make a motion to a judge presiding over the Commercial List on Friday, March 16, 2018, at 10:00 a.m., or as soon after that time as the motion can be heard, at the courthouse located at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR an Order, including, amongst other things:

- (a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;
- (b) approving the agreement of purchase and sale between the Proposal Trustee, as vendor, and 1979119 Ontario Inc. (the “**Purchaser**”), as purchaser, dated February 26, 2018 (the “**Sale Agreement**”), and authorizing the Proposal Trustee to complete the transaction contemplated thereby (the “**Transaction**”);
- (c) vesting in the Purchaser all the Debtor’s right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), free and clear of any claims and encumbrances;

- (d) approving:
 - (i) the first report of the Proposal Trustee dated October 27, 2017 (the “**First Report**”) and the actions of the Proposal Trustee described therein;
 - (ii) the supplemental report to the First Report of the Proposal Trustee dated November 2, 2017 (the “**Supplemental Report**”) and the actions of the Proposal Trustee described therein;
 - (iii) the second report of the Proposal Trustee dated December 13, 2017 (the “**Second Report**”) and the actions of the Proposal Trustee described therein;
 - (iv) the third report of the Proposal Trustee dated February 1, 2018 (the “**Third Report**”) and the actions of the Proposal Trustee described therein; and
 - (v) the fourth report of the Proposal Trustee dated March 7, 2018 (the “**Fourth Report**” and collectively with the First Report, Supplemental Report, Second Report and Third Report, the “**Reports**”) and the actions of the Proposal Trustee described therein;
- (e) approving the fees and disbursements of the Proposal Trustee’s counsel;
- (f) authorizing and directing the Proposal Trustee to distribute certain funds to:
 - (i) Dan Realty Corporation, E. Manson Investments Limited and Copperstone Investments Limited (collectively, the “**First Mortgagees**”) on account of the amounts owing to the First Mortgagees by the Debtor in accordance with the charge registered on title to the Duncan Mill Property as Instrument Nos. AT935525 and AT4236037 (the “**First Charge**”);
 - (ii) the First Mortgagees, on account of the amounts owing to the First Mortgagees by the Debtor in accordance with the Property Tax Dip Loan

(as defined in the Fourth Report), as secured by the Tax Dip Lender's Charge (as defined in the Fourth Report); and

(iii) Janodee Investments Ltd. and Meadowshire Investments Ltd. (together, the "**Second Mortgagees**"), on account of the amounts owing to the Second Mortgagees by the Debtor in accordance with the charge registered on title to the Duncan Mill Property as Instrument No. AT4349221 (the "**Second Charge**"), less any amounts required to satisfy the Debtor's indebtedness to Devry Smith Frank LLP pursuant to a writ (the "**DSF Writ**") filed against the Debtor prior to the registration of the Second Charge,

without further Order of this Court; and

(g) sealing the Confidential Appendices (as defined in the Fourth Report) until the closing of the Transaction or further Order of this Court;

(h) such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

(a) The Debtor is the owner and operator of an eight-storey multi-tenant commercial building located at 240 Duncan Mill Road in the City of Toronto (the "**Duncan Mill Property**");

(b) on October 13, 2017, the Debtor filed a Notice of Intention to Make a Proposal ("**NOI**"). Crowe consented to act as the Proposal Trustee;

(c) pursuant to the Order of the Honourable Justice Hainey dated November 3, 2017 (the "**November 3rd Order**"), the Court approved a Sale Process for the Duncan Mill Property, and empowered and authorized the Proposal Trustee to market and sell the Duncan Mill Property, in accordance with the Sale Process

- (d) the Sale Process culminated in the Sale Agreement for the Purchased Assets, which the Proposal Trustee has accepted subject to approval by this Court;
- (e) the Sale Agreement contemplates that the Proposal Trustee will complete the Transaction and that the Purchased Assets will be vested in the Purchaser;
- (f) a condition of the Sale Agreement is that this Court provide a sale approval and vesting order in favour of the Purchaser;
- (g) the purchase price contemplated by the Sale Agreement represents the best offer for the Purchased Assets;
- (h) the Debtor is indebted to and have provided security in favour of the First Mortgagees and the Second Mortgagees. The Proposal Trustee has obtained an independent legal opinion from Aird & Berlis LLP confirming the validity and enforceability of the security granted by the Debtor in favour of the First Mortgagees and the Second Mortgagees;
- (i) the Second Charge was registered on September 21, 2016, after the registration of the DSF Writ, which was registered effective December 14, 2015. Accordingly, the amount required to satisfy the DSF Writ ought to be retained pending the resolution of any priority issues as between the Second Mortgagee and DSF;
- (j) the Proposal Trustee has filed with the Court the Reports outlining, among other things, the actions of the Proposal Trustee since the commencement of these proceedings;
- (k) the Proposal Trustee's counsel, Aird & Berlis LLP, has accrued fees and expenses in its capacity as counsel to the Proposal Trustee, which fees and expenses require the approval of this Court;

- (l) a sealing order is required because the Confidential Appendices contain certain commercially-sensitive information, the release of which could prejudice the Debtor's stakeholders if the Transaction were not to close;
- (m) the other grounds set out in the Fourth Report;
- (n) sections 50.4(9) and 65.13 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (o) rules 1.04, 2.03, 3.02, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (p) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Fourth Report and its appendices, including, without limitation, the affidavit sworn in support of the fees and disbursements of the Proposal Trustee's counsel; and
- (b) such further and other material as counsel may submit and this Court may permit.

Date: March 7, 2018

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TO: ATTACHED SERVICE LIST

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

Court File No. 31-2303814
CoEstBiddenNo 311223008844
Estate No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)

Proceedings commenced at Toronto

NOTICE OF MOTION
(returnable March 16, 2018)

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TAB 2

Court File No. 31-2303814
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**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**

**FOURTH REPORT OF THE PROPOSAL TRUSTEE
MARCH 7, 2018**

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Court File No. 31-2303814
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**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**

**FOURTH REPORT OF THE PROPOSAL TRUSTEE
MARCH 7, 2018**

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- B. Supplemental Report of Proposal Trustee (without appendices)- November 2, 2017
- C. Order of Justice Hainey- November 3, 2017
- D. Second Report of Proposal Trustee (without appendices)- December 13, 2017
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- F. Third Report of Proposal Trustee (without appendices)- February 1, 2018
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- N. Correspondence to Property Claimants-March 5, 2018
- O. Various Marketing Materials via Cushman Wakefield
Confidential Appendix 1
- P. Email from Cushman re: bid process and procedure- February 9, 2018
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- Q. Auction Rules and Instructions- February 22, 2018
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- R. Interim Financing Term Sheet Re Property Tax Dip Loan, December 2017

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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**

FOURTH REPORT OF THE PROPOSAL TRUSTEE
MARCH 7, 2018

INTRODUCTION

1. On October 13, 2017, 1482241 Ontario Limited (“148”, the “**Company**” or the “**Debtor**”), filed a Notice of Intention to Make a Proposal (“**NOI**”). Crowe Soberman Inc. consented to act as the Proposal Trustee (in such capacity, the “**Proposal Trustee**”) of the Company.
2. This report (the “**Fourth Report**”) is filed by the Proposal Trustee. Unless otherwise noted, the defined terms used in this Fourth Report have the same meanings ascribed to them in the First Report of the Proposal Trustee dated October 27, 2017 (the “**First Report**”), the Supplemental Report to the First Report of the Proposal Trustee dated November 2, 2017 (the “**Supplemental Report**”), the Second Report of the Proposal Trustee dated December 13, 2017 (the “**Second Report**”), and/or the Third Report of the Proposal Trustee dated February 1, 2018 (the “**Third Report**”).
3. On October 27, 2017, the Proposal Trustee filed its First Report with the Court. The purpose of the First Report was to:
 - a) Summarize and support the Sales Process;
 - b) Report on the Debtor’s cash flow projection for the period commencing October 19, 2017 and ending March 31, 2018, advise on the Debtor’s need for a DIP Facility

up to the principal amount of \$750,000, and support the Debtor's request for a charge to secure the DIP Facility;

- c) Support the Debtor's request for a charge to secure the fees and disbursements of the Proposal Trustee, counsel for the Proposal Trustee, and Debtor's counsel; and
- d) Support the Debtor's request for an extension of the time within which to file a proposal with the Official Receiver to December 22, 2017.

A copy of the First Report (without appendices) is attached hereto as **Appendix "A"**.

4. On November 2, 2017, the Proposal Trustee filed its Supplemental Report with the Court. The purpose of the Supplemental Report was to:

- a) Advise on the status of Avison Young's engagement as property manager of the Duncan Mill Property;
- b) Report on certain concerns being communicated by tenants of the Duncan Mill Property to the Proposal Trustee;
- c) Provide the Court with a confidential letter of opinion regarding the estimated value of the Duncan Mill Property dated November 1, 2017;
- d) Report on litigation involving the Duncan Mill Property, including litigation involving each of the Hussaini Group and Torgan;
- e) Provide an update on the DIP Term Sheet relating to the DIP Facility;
- f) Report on potential interim financing from the First Mortgagees to pay realty tax arrears; and
- g) Recommend that the time within which the Debtor must file a proposal with the Official Receiver be extended to December 22, 2017.

A copy of the Supplemental Report (without appendices) is attached hereto as **Appendix "B"**.

5. By Order of the Honourable Justice Hainey dated November 3, 2017 (the "**November 3rd Order**"), a copy of which is attached hereto as **Appendix "C"**, the Administration Charge, the DIP Term Sheet, the DIP Lender's Charge, the Sales

Process, and the request for an extension of time to file a Proposal, were all approved.

6. On December 13, 2018, the Proposal Trustee filed its Second Report with the Court. The purpose of the Second Report was to:

- a) Provide an update with regard to the status of the Sales Process;
- b) Request an extension of the Bid Deadline from January 15th, to February 15th, 2018, and corresponding extensions of the other milestones set out in the Sales Process;
- c) Advise on the status of the day-to-day management of the Duncan Mill Property;
- d) Report on the Company's financial affairs; and
- e) Support the Debtor's request for a further extension of the time within which to file a proposal with the Official Receiver, to February 5, 2018.

A copy of the Second Report (without appendices) is attached hereto as **Appendix "D"**.

7. By Order of the Honourable Justice Hainey dated December 20, 2017 (the "**December 20th Order**"), a copy of which is attached hereto as **Appendix "E"**, the Bid Deadline extension was approved, the Debtor was authorized to enter into a credit facility with the First Mortgagees to borrow funds to repay the outstanding realty taxes owed in respect of the Duncan Mill Property, and the request for an extension of time to file a proposal to February 5, 2018 was approved.

8. On February 1, 2018, the Proposal Trustee filed its Third Report with the Court.

The purpose of the Third Report was to:

- a) Provide an update with regard to the status of the Sales Process;
- b) Report on Avison Young's challenges in maintaining the temperature and condition of the Duncan Mill Property over the holiday season;
- c) Convey information that the Proposal Trustee had received from professional mechanical engineering firms regarding the state of the heating system in place at the Duncan Mill Property;

- d) Report on the Proposal Trustee's request that the Debtor make a request for funding from the DIP Lender (Caruda Holdings Ltd.), to pay outstanding disbursements relating to the maintenance and management of the Duncan Mill Property;
- e) Report on the fact that counsel for the Debtor advised the Proposal Trustee that the DIP Lender and/or a company incorporated by, controlled by or related to it, and/or Alain Checroune personally, intended to submit a bid in the Sales Process;
- f) Advise that the Debtor was advertising leasing opportunities at the Duncan Mill Property for rental rates which were below market rates; and
- g) Support the Debtor's request for a further extension of the time within which to file a proposal, for the purpose of allowing the Sales Process to be taken to its conclusion.

A copy of the Third Report (without appendices) is attached hereto as **Appendix "F"**.

9. By Order of the Honourable Justice Hainey dated February 2, 2018 (the "**February 2nd Order**"), a copy of which is attached hereto as **Appendix "G"**, the request for an extension of time to file a proposal to March 22, 2018 was approved.
10. The orders and reports referred to in this Fourth Report, together with related Court documents, are posted on the Proposal Trustee's website, which can be found at <https://crownsoberman.com/insolvency/engagements/1482241-ontario-limited/>

PURPOSE

11. The purpose of this Fourth Report is to:
 - a) Report to the Court on the results of the Sales Process and activities leading to the receipt of an offer to purchase the Duncan Mill Property;
 - b) Report to the Court on the activities of the Proposal Trustee since the date of the Third Report;

- c) Report to the Court on the receipt of two proofs of claim (property) (the “**Property Claims**”) that were submitted on January 30, 2018 by Jamshid Hussaini and Neelofar Ahmadi (the “**Property Claimants**”), which were subsequently disallowed by the Proposal Trustee on a without prejudice basis;
- d) Seek an order:
 - i. Approving the agreement of purchase and sale entered into between the Proposal Trustee and 1979119 Ontario Inc. (the “**Purchaser**”) dated February 26, 2018, as amended (the “**APS**”), in connection with the sale of the Duncan Mill Property, together with any further minor amendments thereto deemed necessary, if any;
 - ii. Authorizing the Proposal Trustee to complete the transaction contemplated by the APS (the “**Transaction**”);
 - iii. Vesting title to the Duncan Mill Property in the Purchaser, or as it may further direct in writing, upon closing of the Transaction;
 - iv. Sealing the Confidential Appendices to the Fourth Report;
 - v. Authorizing the Proposal Trustee to pay the proposed Interim Distribution to the Mortgagees and counsel for the Proposal Trustee; and
 - vi. Approving the First Report, Supplemental Report, Second Report, Third Report, Fourth Report, and the Proposal Trustee’s conduct and activities described therein; and
- e) Support the Debtor’s anticipated request for a final extension of the time within which to file a proposal, for the purpose of allowing the Transaction to close.

TERMS OF REFERENCE

12. In preparing this Fourth Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Debtor’s books and records, discussions with third party consultants to 148, management and employees, Avison Young, and information from other third party sources. The Proposal Trustee assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this Fourth Report. Any use which any party, other than the Court, makes of

this Fourth Report, or any reliance on, or any decisions to be made, based upon it, is the responsibility such party.

13. Unless otherwise stated, all dollar amounts contained in the Fourth Report are expressed in Canadian dollars.

ACTIVITIES SINCE THE THIRD REPORT

14. Since the date of the Third Report, the Proposal Trustee has continued to work alongside the property manager, Avison Young, which is managing the day-to-day operation and maintenance of the Duncan Mill Property, collecting monthly rent payments and paying necessary disbursements, and responding to various service requests made by tenants of the Duncan Mill Property.
15. The Proposal Trustee previously reported on some of the challenges that Avison Young experienced in maintaining the temperature and condition of the Duncan Mill Property over the holiday season. As set out in the Third Report, engineering reports commissioned by Avison Young and/or the Proposal Trustee ultimately determined that the existing heating system was sufficient to carry the building into the next heating season, with certain minor repairs, and active monitoring. The Proposal Trustee has continued to monitor this situation, in consultation with Avison Young. As a result of this ongoing attention, together with the milder weather since the date of the Third Report, these challenges have been mitigated.
16. In the Third Report, the Proposal Trustee identified a concern with the Debtor advertising leasing opportunities at the Duncan Mill Property at below-market rental rates. Since the date of the Third Report, the Debtor has not made any further efforts in this regard.
17. The Proposal Trustee has been working alongside Avison Young to compile an accounting of all receipts and disbursements for the period December 1, 2017 to

March 31, 2018, in order to present the statement of receipts and disbursements to the Debtor for its review. This work is ongoing.

PROPERTY CLAIMS RECEIVED AND DISALLOWANCE OF CLAIMS

18. On January 17, 2018, counsel for the Property Claimants wrote to counsel for the Proposal Trustee to request that the Proposal Trustee convey the Duncan Mill Property to the Property Claimants, in accordance with an agreement of purchase and sale allegedly entered into between the Property Claimants and Alain Checroune (the “Alleged APS”). A copy of this correspondence is attached hereto as **Appendix “H”**.
19. By letter dated January 29, 2018, counsel for the Proposal Trustee responded to deny the Property Claimants’ request, as the Proposal Trustee has no power to perform the Alleged APS, and in view of the fact that the Property Claimants had already attorned to the Sales Process. Counsel for the Proposal Trustee requested that the Property Claimants immediately schedule a 9:30 appointment to have the matter addressed if they disagreed with the Proposal Trustee’s position. A copy of this correspondence is attached hereto as **Appendix “I”**.
20. The Property Claimants did not proceed with a 9:30 appointment.
21. On January 30, 2018, counsel for the Property Claimants submitted the Property Claims to counsel for the Proposal Trustee. As set out therein, the Property Claimants claimed a combined 20% ownership interest in the Duncan Mill Property, based on certain original and further amended trust declarations entered into between the Property Claimants, the Debtor, and Alain Checroune. Copies of the Property Claims are attached hereto as **Appendix “J”**.
22. Despite the absence of any formal claims process or any order contemplating same, the Proposal Trustee reviewed the Property Claims with its counsel and issued

formal notices of disallowance dated February 13, 2018 (the “**Notices of Disallowance**”). Copies of the Notices of Disallowance, together with the letter from counsel to the Proposal Trustee, are attached hereto as **Appendix “K”**.

23. As set out in the Notices of Disallowance and cover letter, the Proposal Trustee advised the Property Claimants, among other things, that the submission of the Property Claims was premature, and that the Property Claimants were not entitled to assert any position that would impugn the Proposal Trustee’s conveyance of clear title to the Duncan Mill Property as part of the Sales Process. Rather, the Proposal Trustee confirmed that the Property Claimants are only entitled to assert a claim against the proceeds of sale. Accordingly, the Notices of Disallowance were issued without prejudice to the Property Claimants’ rights to resubmit the Property Claims in respect of the sale proceeds at the appropriate time, following the sale of the Duncan Mill Property.
24. On February 20, 2018, counsel for the Property Claimants wrote to counsel for the Proposal Trustee to request that the Proposal Trustee seek direction from the Court with regard to a formal process to resolve the Property Claimants’ claims prior to making any distributions from the sale proceeds. A copy of this letter is attached hereto as **Appendix “L”**.
25. On February 28, 2018, counsel for the Proposal Trustee received a Notice of Motion to appeal the Notices of Disallowance (“**Notice of Motion**”). A copy of the Notice of Motion together with the attached cover letter from counsel to the Property Claimants is attached hereto as **Appendix “M”**.
26. On March 5, 2018, counsel for the Proposal Trustee wrote to counsel for the Property Claimants to acknowledge receipt of the Property Claimants’ position as set out in the February 20 and February 28 letters, and to confirm that any request for any distribution would be made on notice to the Property Claimants, such that they would be assured of having the right to respond and to refile their claim at the

appropriate time. A copy of this correspondence is attached hereto as **Appendix "N"**.

SALES PROCESS FOR THE DUNCAN MILL PROPERTY

Marketing Activities

27. Pursuant to the November 3rd Order, the Sales Process was carried out by the Proposal Trustee with the involvement of and alongside its Listing Agent, Cushman. A summary of the Sales Process undertaken is set out below:

- i. The Proposal Trustee advertised the Duncan Mill Property and Sales Process in the national edition of the Globe and Mail. The advertisement ran on November 17, 2017;
- ii. The Proposal Trustee posted the Invitation for Offers, the Non-Disclosure Agreement, and the Form of Offer on the Proposal Trustee's website;
- iii. Between November 16, 2017, and February 28, 2018, the Proposal Trustee maintained an online data room (the "**Data Room**"), where interested parties could remotely complete their due diligence upon execution of a Non-Disclosure Agreement;
- iv. The Proposal Trustee sent the Invitation for Offers, and the Non-Disclosure Agreement to a list of prospective interested parties identified by the Proposal Trustee and via the Crowe Horwath professional network;
- v. On December 11th 2017, Cushman distributed its own Confidential Information Memorandum ("CIM"), to the Cushman buyer's list which contained approximately 4,700 parties;
- vi. On December 5, 2017, the Duncan Mill Property was posted for sale on MLS by Cushman;
- vii. Commencing in November 2017 and ending on January 31, 2018, Cushman placed an advertisement in respect of the Duncan Mill Property in the national edition of the Globe and Mail on a bi-weekly basis (the "**Newspaper Advertisements**");
- viii. A ground "For Sale" sign was erected on the Duncan Mill Property on January 10, 2018 (the "**Sign**"); and

ix. The Duncan Mill Property was listed for sale on Cushman's website.

Copies of the CIM, the Sign, and the Newspaper Advertisements are attached hereto as **Appendix "O"**.

Response to Marketing Activities

28. The Proposal Trustee began to receive executed Non-Disclosure Agreements on November 17, 2017, and began granting access to the Data Room thereafter.

29. Cushman's tours of the Duncan Mill Property with interested parties commenced in earnest in December 2017.

30. Prior to the February 15, 2018 deadline for the submission of offers:

- i. Tours of the Duncan Mill Property were conducted by representatives of **16** parties: and
- ii. **124** Non-Disclosure Agreements were signed by prospective purchasers who were given access to the confidential information relating to the Duncan Mill Property located in the Data Room. The list of parties granted access to the Data Room is attached hereto as **Confidential Appendix "1"**.

Offers Received for the Duncan Mill Property

31. Prospective purchasers were required to submit their offers for the Duncan Mill Property by 5:00pm (EST) on February 15, 2018 (the "**Bid Deadline**") using the Proposal Trustee's form of agreement of purchase and sale, as posted in the Data Room. Attached hereto as **Appendix "P"** is an email that was sent by Cushman on February 9, 2018 to all parties that had been given access to the Data Room, reminding them of the procedure and process for submitting an offer.

32. In order to be considered a Qualified Offer as defined in the November 2nd Order, the offer was required to have met the following criteria:

- a) Be received by the Proposal Trustee no later than the Bid Deadline;

- b) Be accompanied by a cash deposit equal to 10% of the consideration set out in the offer;
- c) Contain no conditions other than the requirement that the Proposal Trustee obtain an Approval Order;
- d) Contain evidence of the anticipated sources of capital or credit support to allow the Proposal Trustee to make a reasonable determination as to the bidder's ability to complete the transaction; and
- e) Provide for consideration that the Proposal Trustee considered commercially reasonable.

33. The Proposal Trustee received a number of offers in connection with the Sales Process of the Duncan Mill Property. These offers are summarized in an Offer Summary which was prepared by the Proposal Trustee, and is attached hereto as **Confidential Appendix "2"**.

34. Upon reviewing the offers, the Proposal Trustee determined that each of the offers had certain deficiencies, such that it could not be considered a valid Qualified Offer within the meaning of the Sales Process.

35. The Sales Process contemplated that, if more than one Qualified Offer were received by the Bid Deadline, the Proposal Trustee would conduct an auction involving each of the Qualified Bidders. As none of the offers received was a Qualified Offer within the meaning of the Sales Process, on February 21, 2018, the Proposal Trustee contacted each party that had submitted an offer to advise of the noted deficiencies, and to work with the offerors towards curing those deficiencies, where possible.

36. Each of the offerors advised the Proposal Trustee that it was working towards curing any deficiencies in its offer. Accordingly, the Proposal Trustee determined that it would hold an auction among all parties that had submitted an offer. The Proposal Trustee further advised the parties that only Qualified Offers would be accepted as bids in the auction.

37. On February 22, 2018, the Proposal Trustee sent an email to each party that had submitted an offer, to invite them to participate in the auction scheduled to take place on February 26, 2018 (the “**Auction**”), and to provide the rules and procedure for participating in the auction (the “**Auction Rules**”). A copy of the Auction Rules, with a partial redaction of the minimum bid amount, is attached hereto as **Appendix “Q”**.
38. The Auction occurred as scheduled. A copy of the Revised Offer Summary from the Auction is attached hereto as **Confidential Appendix “3”**.
39. The Auction was carried out in accordance with the Auction Rules. The Purchaser was the successful bidder in the Auction. Accordingly, on February 26, 2018, the Proposal Trustee entered into the APS with the Purchaser. A copy of the executed APS is attached hereto as **Confidential Appendix “4”**.
40. In compliance with the Sales Process and the Auction Rules, the only material condition of the APS is that the Proposal Trustee obtain Court approval of the Transaction, and an Approval and Vesting Order that is a Final Order (as defined in the APS).
41. Pursuant to the APS, the closing of the Transaction is to occur on a date to be agreed to in writing that is no later than March 29, 2018, or, if the parties agree in writing, a date after March 29, 2018 that is approved by the Court.
42. On March 6, 2018, counsel for the Purchaser advised the Proposal Trustee of its intention to assign its interest in the APS to AZDM Inc. (the “**Assignee**”), a corporation affiliated with the Purchaser. Accordingly, the Proposal Trustee expects that title to the Duncan Mill Property will vest in the Assignee upon the closing of the Transaction.

43. The Proposal Trustee understands that an assignment of the APS from the Purchaser to the Assignee is in the process of being documented, and that such assignment document will be executed prior to the hearing of this motion. The Proposal Trustee will advise the Court of the status of the proposed assignment at the hearing.

APPROVAL OF SALE

44. The Proposal Trustee believes that the Sales Process undertaken by the Proposal Trustee was appropriate for the type of property in question, provided sufficient market exposure to the Duncan Mill Property, and resulted in the Proposal Trustee obtaining a commercially reasonable offer for the Duncan Mill Property for the following reasons:

- i. The Duncan Mill Property was listed for sale via MLS;
- ii. The Duncan Mill Property was advertised for sale in the Globe and Mail;
- iii. The Duncan Mill Property was listed for sale on Cushman's website;
- iv. The Duncan Mill Property was listed for sale on the Proposal Trustee's website;
- v. The Data Room was accessed by a substantial number of interested parties;
- vi. The Duncan Mill Property was exposed to the market for a period of more than three months;

45. Prior to the Bid Deadline, the Proposal Trustee commissioned an independent appraisal of the Duncan Mill Property from a real estate valuation firm that was recommended by Avison Young. A copy of the resulting appraisal dated December 20, 2017 (the "Appraisal") is attached hereto as **Confidential Appendix "5"**.

46. The Proposal Trustee recommends the approval by this Honourable Court of the APS. In reaching its recommendation in this regard, the Proposal Trustee considered, among other things, the appraised value of the Duncan Mill Property as set out in the Appraisal, and the other factors noted herein. The Proposal Trustee believes that further marketing of the Duncan Mill Property will not result in a better offer.

47. The Proposal Trustee has consulted with the First Mortgagees in carrying out its duties in relation to the Sales Process, as contemplated in paragraph 10(a) of the November 3rd Order. The First Mortgagees support the Transaction.
48. The Proposal Trustee believes that the Confidential Appendices to this Fourth Report, including the offers for the Duncan Mill Property, the Appraisal, and the APS, should be kept confidential until the closing of the Transaction. The Proposal Trustee is of the view that public disclosure of the offers received for the Duncan Mill Property, the purchase price set out in the APS, and the information obtained in respect of the Duncan Mill Property, would have a negative impact on the future marketing of the Duncan Mill Property should the Transaction not be approved or completed. The Proposal Trustee respectfully requests that the Confidential Appendices 1-5 be sealed until after the Transaction closes, or as may be further ordered by the Court.

INTERIM DISTRIBUTION TO MORTGAGEES

49. As previously reported to the Court, there are two separate mortgages (the “Charges”) registered on title to the Duncan Mill Property in favour of the First Mortgagees and the Second Mortgagees (together, the “Mortgagees”).
50. The Charges require monthly interest payments in the amount of \$68,750.01 to the First Mortgagee, and in the amount of \$15,167.00 to the Second Mortgagee. Avison Young has been making these payments, on behalf of the Debtor, from the monthly rent received from tenants.
51. In addition to the Charges, as at December 18, 2017, the Debtor owed approximately \$1,472,366.56 in property tax arrears to the City of Toronto, plus an additional \$40,705.66 in bailiff fees and HST relating to recovery of those arrears (together, the “Tax Arrears”).

52. Pursuant to the December 20th Order, the Debtor was allowed to borrow further funds from the First Mortgagees in order to pay the Tax Arrears, which would stop the further accrual of penalties and interest in exchange for a debt that would be less onerous on a monthly expenditure basis (the “**Property Tax Dip Loan**”). A copy of the interim financing term sheet for the Property Tax Dip Loan is attached hereto as Appendix “R”.

53. On December 21, 2017, the First Mortgagee advanced funds sufficient to repay the outstanding arrears for the tax years 2015 and 2016. On January 9, 2018, the First Mortgagee advanced the balance of funds required to pay the Tax Arrears in full. These advances were made to the Proposal Trustee’s counsel, who arranged for payment of the Tax Arrears.

54. Further to the December 20th Order, the Property Tax Dip Loan is secured by the Tax Dip Lender’s Charge, which is a first priority charge against the Duncan Mill Property.

55. The Proposal Trustee has obtained an opinion from its counsel confirming the validity and enforceability of the Charges dated March 6, 2018 (the “**Security Opinion**”).

56. Accordingly, the Proposal Trustee recommends repayment of the Property Tax Dip Loan, and the amounts owing to the Mortgagees pursuant to the Charges, upon the closing of the sale of the Duncan Mill Property. The Proposal Trustee will obtain payout statements in relation to the Property Tax Dip Loan and the Charges for the anticipated closing date of March 29, 2018.

INTERIM DISTRIBUTION OF PROFESSIONAL FEES

57. Pursuant to the November 3rd Order, the Administrative Parties (i.e. the Proposal Trustee, its counsel, and counsel for the Debtor) were granted an Administration Charge against the Duncan Mill Property as security for their fees and

disbursements. The Administration Charge is subordinate in priority only to the Charges and the Tax Dip Lender's Charge.

Fees of Counsel to the Proposal Trustee-Aird & Berlis LLP ("Aird")

58. From October 26, 2017, to February 23, 2018, the total fees billed by Aird were \$87,496.50, plus disbursements of \$543.08, and HST in the amount of \$11,430.38. A total of \$99,469.97 was incurred by Aird during that period.

59. Attached separately as part of the Proposal Trustee's motion materials is the affidavit of Steven L. Graff sworn March 7, 2018, which includes a summary of time charges and applicable hourly rates related to Aird's detailed statements of account for the period October 26, 2017 to February 23, 2018.]

STAY EXTENSION APPLICATION

60. In the Proposal Trustee's view, it is appropriate to further extend the period within which the proposal must be filed so that the Sales Process can be finalized and the Transaction completed. The Proposal Trustee is of the view that the Transaction will result in a positive outcome for stakeholders, and ought to be completed.

61. In the Proposal Trustee's view, the Debtor would likely be able make a viable proposal if the extension being applied for is granted.

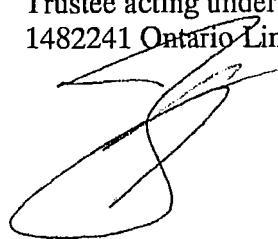
62. No creditor is likely to be materially prejudiced if an extension of the time within which to file a proposal is granted.

63. Based on the foregoing, the Proposal Trustee supports the Company's anticipated motion for an Order extending the time within which the Company is obligated to file its proposal with the Official Receiver.

All of which is respectfully submitted this 7th day of March, 2018.

CROWE SOBERMAN INC.

Trustee acting under a Notice of Intention to Make a Proposal for
1482241 Ontario Limited, and not in its personal capacity

A handwritten signature in black ink, appearing to read "CROWE SOBERMAN INC." followed by a date.

APPENDIX

‘A’

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL IN BANKRUPTCY OF
1482241 ONTARIO LIMITED
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

FIRST REPORT OF THE PROPOSAL TRUSTEE
OCTOBER 27, 2017

INTRODUCTION

1. On October 13, 2017, 1482241 Ontario Limited (“148”), (the “Company” or the “Debtor”), filed a Notice of Intention to Make a Proposal (“NOI”). Crowe Soberman Inc. consented to act as the Proposal Trustee (the “Proposal Trustee”) for the Companies. A true copy of the Certificate of Filing of a Notice of Intention is attached hereto as **Appendix “A”**.
2. Attached hereto as **Appendix “B”**, is the Notice of Intention and the list of creditors for the Company that was sent to all known creditors.
3. 148 will bring a motion returnable on November 2, 2017 (the “Motion”) for order, *inter alia*,
 - a) Approving the interim financing of 148 by Alain Checroune personally or through a company under his control (in such capacity, the “DIP Lender”) substantially in accordance with terms of the DIP term sheet (defined below) and granting the DIP Lender’s Charge (as defined below);

- b) Approving the sale solicitation process (the “**Sale Process**”) for the sale of 148’s assets and business;
- c) Granting the Administration Charge (as defined below) in favour of the Proposal Trustee, counsel for the Proposal Trustee, and counsel for 148;
- d) Extending the time within which a Proposal must be filed with the Official Receiver to December 27, 2017.

4. In support of the Motion, 148 filed an Affidavit of Alain Checroune, sworn October 26, 2017 (the “**Checroune Affidavit**”) which describes, *inter alia*, 148’s history and the reasons for the commencement of these proceedings. The Proposal Trustee has not repeated those details in this first report to the Court (the “**First Report**”), except to the extent necessary.

5. 148 is the owner and operator of an eight-storey multi-tenant commercial building located in the City of Toronto. The principal purposes of these proposal proceedings, as explained in the Checroune Affidavit, are to provide 148 with an opportunity to (i) conduct the Sale Process for the sale of the Debtor’s business and assets; and (ii) negotiate and make a viable proposal to their creditors.

PURPOSES OF THE FIRST REPORT

6. The purposes of this First Report are to:

- a) Summarize and support the Sale Process;
- b) Report on the Debtor’s cash flow projection for the period commencing October 19, 2017 and ending March 31, 2018 and the Debtor’s need for a debtor in possession facility between the Debtor and the DIP Lender up to the principal amount of \$750,000 (the “**DIP Facility**”) pursuant to section 50.6 of the BIA, as

well as a charge in favour of the DIP Lender over the Debtor's assets, properties and undertakings to secure repayment of the amounts borrowed by the Debtor under the DIP Facility (the "**DIP Lender's Charge**");

- c) Support the request for a charge to secure the fees and disbursements of the Proposal Trustee, counsel for the Proposal Trustee, and the Debtor's counsel, Blaney McMurtry LLP (the "**Administration Charge**"); and
- d) Support the Debtor's request for an extension of the time period to file a proposal with the Official Receiver to December 27, 2017.

DISCLAIMER

7. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Debtor's books and records, discussions with third party consultants to 148, management and employees, and information from other third party sources. The Proposal Trustee assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, re-production or use of this First Report. Any use which any party, other than the Court, makes of this First Report, or any reliance on, or any decisions to be made, based upon it, is the responsibility such party.

BACKGROUND

8. 148 is an Ontario corporation incorporated on June 21, 2001 and appears to be a single purpose corporation holding legal and beneficial title to certain lands and a free standing commercial building located thereon at 240 Duncan Mill road, Toronto, Ontario (the "**Duncan Mill Property**")
9. The Duncan Mill Property is made up of an eight storey multi-tenant commercial building with a single level basement and an underground parking garage. The Property also includes the second level parking area associated with the two-storey parking structure located on the west side of the Property. The building consists of commercial units and was

constructed in approximately 1971. The building is managed by 148. At present, the building has 19 tenants and is at 52% occupancy rate.

10. The Duncan Mill Property was purchased by 148 for \$15,300,000 in 2001.
11. As of October 13, 2017, 148 employed two full time employees who are maintenance personnel and one full time office administrator/property manager.
12. The Proposal Trustee intends to retain a reputable property management firm to oversee and manage the day to day property issues. The property management firm will be retained by the Proposal Trustee and will be reporting directly to the Proposal Trustee.

SECURED CREDITORS

13. Dan Realty Corporation, E.Manson Investments Limited, Copperstone Investments Limited (the “**First Mortgagee**”) is the registered holder of a first mortgage on the Duncan Mill Property, which mortgage was assigned from Computershare Trust Company of Canada on June 2, 2016. As security for its loan 148 granted to the First Mortgagee, among other things, a mortgage in the amount of \$11,250,000 over the Duncan Mill Property and a General Security Agreement providing a first charge over all personal property of 148. A copy of the Charge registered as Instrument Nos. AT935525 and AT4236037 are attached hereto as **Appendix “C”**
14. As at October 11, 2017, 148 was indebted to the First Mortgagee in amounts that total \$7,692,202.45, inclusive of accrued interest and costs.
15. A second mortgage was registered on title to the Duncan Mill Property in favour of Janodee Investments Ltd. and Meadowshire Investments Ltd., dated September 21, 2016 (the “**Second Mortgagee**”) against the Duncan Mill Property. The amount claimed to be outstanding under the Second Mortgage as at October 13, 2017 is approximately \$1,420,000, including accrued interest. A copy of the Charge registered as Instrument No. AT4349221 is attached hereto as **Appendix “D”**.

16. In addition to the first and second mortgages, the Debtor owes \$1,441,179.66 in property tax arrears to the City of Toronto.
17. The Proposal Trustee has reviewed the PPSA search obtained against 148 attached as Exhibit C to the Checroune Affidavit. In addition to the secured creditors described above, the PPSA search result reveals a registration against 148 in favour of Mann Engineering Ltd. The Proposal Trustee has been advised by the Debtor that the Mann Engineering debt has been paid in full and it should be deleted.

SALES PROCESS

18. As described in greater detail in the Checroune Affidavit, the primary purpose of the Debtor's proposal proceedings is to find a purchaser for the business and/or assets of the Debtor.
19. The purpose of the Sale Process is to identify one or more purchasers of the business and/or assets of the Debtor. Subject to the order of the Court, the Sale Process will be run by the Proposal Trustee. The following is a summary of the significant terms of the Sale Process the Proposal Trustee is considering. A copy of the proposed Sale Process is attached hereto as **Appendix "E"**. Terms not otherwise defined in this First Report shall have the meaning ascribed to these terms in the Sale Process.
 - a) The Proposal Trustee shall cause notice of the Sale Process to be published in The Globe and Mail (National Edition) within ten (10) days following the date of the Order.
 - b) The Proposal Trustee will retain a Listing Agent, who will work with and assist the Proposal Trustee with the marketing and solicitation of offers for the Duncan Mill Property.
 - c) As soon as possible after the issuance of the Order approving the Sales Process, the Proposal Trustee, in consultation with the Listing Agent will distribute to Interested Parties an interest solicitation letter which will provide an overview of this opportunity

and 148's business and assets. A form of confidentiality agreement ("CA") will be attached to the interest solicitation letter that Interested Parties will be required to sign in order to gain access to confidential information and to commence performing due diligence (each Interested Party who signs a CA being referred to herein as a "Prospective Offeror").

- d) The Proposal Trustee will provide to each Prospective Offeror (i) a confidential information memorandum, (ii) access to an electronic data room (which will include certain financial and other information with respect to 148, and (iii) a proposed form of agreement of purchase and sale (the "Trustee APS"). The Proposal Trustee or Listing Agent will also facilitate diligence by Prospective Offerors, including arranging site visits, as the Proposal Trustee and Listing Agent determines to be appropriate.
- e) The deadline for submission of offers will be 5:00pm on January 15, 2018. In order to be a "Qualified Offer", the offer must be submitted by 5:00pm January 15, 2018 and comply with the other requirements set out in the Sales Process. Qualified Offers will need to be accompanied by a cash deposit equal to 10% of the consideration in the offer.
- f) If more than one Qualified Offers are received by the deadline, the Proposal Trustee will conduct an auction amongst the Qualified Offerors in order to determine one successful offer.
- g) Any transaction resulting from the Sales Process will be subject to the approval of this Court.
- h) If at any time during the Sales Process it becomes evident to the Proposal Trustee that no Qualified Offers will be received, the Proposal Trustee may terminate the Sale Process.

20. A chart summarizing material deadlines for the Sales Process is set out below:

Sale Solicitation Process	Date
Court Approval of Sale Process	Date of Approval ("Sale Process Approval Date")
Begin Marketing to Interested Parties	Immediately following the Sale Process Approval Date
Complete Delivery of Sale Solicitation Materials and Listings	November 30, 2017
Deadline for Submissions of Offers	January 15, 2018
Auction (if necessary)	January 19, 2018
Selection of Offer	January 19, 2018
Execution of Binding Agreement	January 31, 2018
Court Approval of Binding Agreement and Granting of Vesting Order	February 15, 2018
Closing	As soon as practicable following Court approval of the binding agreement; and in any event no later than February 28, 2018

21. The Proposal Trustee shall apply to the Court for an order approving the Successful Offer and authorizing the Debtor to enter into any and all definitive transaction documentation with respect to the Successful Offer (a) and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Offer.

22. The Proposal Trustee respectfully recommends that the Court approve the Sale Process for the following reasons, among others:

- a) In the view of the Proposal Trustee, the Sale Process provides an appropriate mechanism to expose the Debtor's business and assets to the market for a reasonable period of time;
- b) The Sales Process provides the Proposal Trustee and Listing Agent with an opportunity to solicit offers that meet the Debtor's goals and the Proposal Trustee does not believe that there is a better viable alternative than a sale of the Debtor's business and assets;

- c) The sale of the Debtor's business and assets will benefit all creditors (secured and unsecured);
- d) The Proposal Trustee understands that none of the Debtor's creditors have a *bona fide* reason to object to the marketing of the Debtor's business and assets, in particular given that any sale will be subject to Court approval.

DIP FINANANCING

- 23. 148 has been operating at a deficit. As of October 25, 2017 the Debtor has approximately \$19,000 of cash on hand. 148 expenditures result in a cash burn to March 31 2018 of approximately \$500,000, including debt service amounts but not including the costs of these proceedings.
- 24. Attached hereto as Appendix "F" is a copy of the projected cash flow prepared by the Debtor for the time period commencing October 2017 and ending March 31, 2018 (the "Cash Flow").
- 25. To address the short term liquidity crisis facing 148, Mr. Checroune, in his capacity as the DIP Lender, has agreed to provide interim funding for 148 (the "DIP Loan") by way of an Interim Financing Facility Terms and Conditions Term Sheet (the "DIP Term Sheet").
- 26. Certain of the key terms of the DIP Term Sheet are summarized below:
 - a) Commitment Amount: Senior secured priority interim financing facility of up to CDN \$750,000. (subordinate to the existing 1st and 2nd mortgages and subordinate to the Administration charge)
 - b) Interest Rate: All borrowings shall bear interest at a rate no greater 13% (the current rate charged under the 1st mortgage).
 - c) Security and Priority: The obligations of the borrowers under the DIP Term Sheet are to be subject to a court-ordered priority charge on all of the existing and after-acquired

real and personal, tangible and intangible assets of 148 but subordinate to the existing 1st and 2nd mortgages and the Administration Charge.

- d) Conditions to Availability: The obligation of the DIP Lender to make the Interim financing available to 148 is subject to and conditional upon, among other things, the granting of the Order approving the DIP Facility and the DIP Lender's Charge.

27. The Proposal Trustee has considered the factors set out in Section 50.6(5) of the BIA with respect to granting of a Court order for interim financing and a charge related thereto. The Proposal Trustee believes that the terms of the DIP Facility are reasonable for, *inter alia*, the following reasons:

- a) The DIP Facility enhances the prospect of the Debtors successfully completing their restructuring;
- b) The Debtor is facing a liquidity crisis and the proposed DIP Financing will assist the Company with its operating expenses and the costs related to the Duncan Mill Property. It will also ensure that there is sufficient flexibility in 148's cash flow going forward.
- c) The Proposal Trustee is not aware of any creditor who would be materially prejudiced by the approval of the DIP Facility and the DIP Lender's Charge;
- d) The terms of the DIP Facility appear to be reasonable in the circumstances and are more favourable to the Debtors than debtor-in possession financing facilities in other similar proceedings; and
- e) The rate of interest appears to be reasonable in the circumstances given the risk inherent in these proceedings.

ADMINISTRATION CHARGE

28. The Debtors are seeking an Administration Charge over the assets, undertakings and property of 148 which would have priority over all claims against the Debtor including the DIP Charge and only subordinate to the existing 1st and 2nd mortgages. The beneficiaries of the Administration Charge would be the Proposal Trustee, the Proposal Trustee's legal counsel, and the Debtor's legal counsel, Blaney McMurtry LLP.
29. An Administration Charge is common in restructuring proceedings and is, in the Proposal Trustee's view, appropriate in the present case given the Debtor's lack of liquidity. The professionals involved in these proceedings require the benefit of a Court-ordered priority charge on the Debtor's business and assets (subordinate only to the existing 1st and 2nd mortgages) to secure payment of their fees and expenses.
30. The Administration Charge is supported by the DIP Lender. Since the DIP Lender's Charge and the Administration Charge will be subordinate to the security of the existing 1st and 2nd mortgagees and both mortgages will be kept current during the proposal proceeding, there does not appear to be any material prejudice as a result of the requested charges.
31. In addition, as set out in the cash flow, it is intended that the payment of professional fees incurred in the proposal proceeding will be deferred until there are proceeds from the sale of the Duncan Mill Property.

EXTENSION OF THE TIME TO MAKE A PROPOSAL

32. The initial 30-day stay period granted upon the filing of the NOI expires on November 12, 2017.
33. As detailed above, subject to the approval of the Court, the Proposal Trustee will commence a Sale Process for marketing of the Debtor's assets. The proposed offer deadline under the Sale Process will be set for January 15, 2018.

34. The Cash Flow includes monthly cash flow projections of the Debtor for the period of time from October 2017 to March 31, 2018, which includes the initial 30-day stay period and the extension of the stay period requested by the Debtor. The Proposal Trustee notes that in the month of November, the Debtor is projected to be in a cash flow deficit position with the deficit continually increasing without the availability of the DIP Loan. If the DIP Loan is approved, the Debtor is projected to remain cash flow positive until the Sale Process has been completed.
35. The Debtor and the Proposal Trustee will require a further extension to commence and carry out the Sale Process, and the Debtor has therefore asked for the maximum extension to December 27, 2017. If this Court approves the DIP Facility and the DIP Charge, the Cash Flow demonstrates that the Debtor will have sufficient funds to continue to operate and finance the Sale Process during the extension period.
36. In the event an extension is not granted and the Debtor is deemed bankrupt, the Debtor will not be able to complete its restructuring and formulate a proposal to the likely detriment of all of its stakeholders.
37. The Proposal Trustee is satisfied that the Debtor has acted and continues to act in good faith and with due diligence in these proceedings to date and, if the extension sought is granted, this will allow the Debtor to commence and carry out the Sales Process.
38. Until such time as the Sales Process is completed, the Proposal Trustee will be retaining an independent third party property management company to manage the Duncan Mill Property.

RECOMMENDATIONS

39. Based on the foregoing, the Proposal Trustee respectfully recommends that this Court make an order granting the relief detailed at paragraph 3 of this First Report.

All of which is respectfully submitted this 27th day of October, 2017.

CROWE SOBERMAN INC.

Trustee acting under a Notice of Intention to Make a Proposal for
1482241 Ontario Limited



APPENDIX

‘B’

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL IN BANKRUPTCY OF
1482241 ONTARIO LIMITED
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

SUPPLEMENTAL REPORT TO THE FIRST REPORT OF THE
PROPOSAL TRUSTEE
NOVEMBER 2, 2017

INTRODUCTION

1. This report (the "Supplemental Report") is filed by Crowe Soberman Inc. in its capacity as the Proposal Trustee for the Company. Unless otherwise noted, the defined terms used in this Supplemental Report have the same meaning provided to them as in the First Report of the Proposal Trustee to Court dated October 27, 2017.

PURPOSE

2. On October 27, 2017 the Proposal Trustee filed its First Report with the Court. The purposes of the First Report were to:
 - a) Summarize and support the Sales Process;
 - b) Report on the Debtor's cash flow projection for the period commencing October 19, 2017 and ending March 31, 2018 and the Debtor's need for a debtor in possession facility between the Debtor and DIP Lender up to the principal amount of \$750,000 (the "DIP Facility");
 - c) Support the request for a charge to secure the fees and disbursements of the Proposal Trustee, counsel for the Proposal Trustee, and the Debtor's counsel, Blaney McMurtry LLP (the "Administration Charge"); and

- d) Support the Debtor's request for an extension of the time period to file a Proposal with the Official Receiver.

PROPERTY MANAGER

- 3. As reported in the First Report, the Proposal Trustee has had discussions with other property management firms. The Proposal Trustee has also requested proposals from these property management firms to oversee and manage the day to day property issues including collections of rents from tenants and the accounting and reporting directly to the Proposal Trustee.
- 4. A copy of a draft management agreement provided to the Proposal Trustee by Avison Young Real Estate Management Services Ontario Inc. ("Avison Young") is attached hereto as **Appendix "A"**.
- 5. The Proposal Trustee, in consultation with the First Mortgagees will engage either Avison Young or an alternative firm to manage the Duncan Mill Property shortly.

TENANT CONCERNS WITH EXISTING BUILDING MANAGEMENT

- 6. Following the filing of the First Report with this Court, the Proposal Trustee was contacted by one tenant who expressed a number of concerns with existing building management as it related to management of the building, and safety issues.
- 7. The Proposal Trustee from its discussion with this tenant and the Debtor understands that the dispute regarding the management of the building relates to the last 7-8 years. The Proposal Trustee has been advised by the Debtor that all safety issues have been adequately resolved. The Proposal Trustee is currently reviewing building operations and records to verify that all identified safety issues have been fully resolved and will report further on this matter.

8. The Debtor has advised the Proposal Trustee that the tenant owes significant arrears of rent while the tenant has advised the Proposal Trustee that the Debtor has “overbilled” it for November 2017 rent.
9. The Proposal Trustee intends to meet with the tenant to confirm that its concerns regarding safety have been resolved and to attempt to understand the dispute regarding rent arrears.

VALUATION OF 240 DUNCAN MILL

10. As of the date of this Supplemental Report, an appraisal report has not yet been completed. The Proposal Trustee will engage a qualified appraiser to provide it with a formal appraisal on the Duncan Mill Property.
11. The Proposal Trustee has obtained a letter of opinion from Harvey Kalles Real Estate Ltd. A copy of the letter of opinion dated November 1, 2017 is attached hereto as **Confidential Appendix “A”**. While the letter of opinion provides a suggested listing price for the Duncan Mill Property this gives some guidance as to potential value.
12. The Proposal Trustee also notes that the Duncan Mill Property was purchased by 148 for \$15,300,000 in 2001.

ORDER OF JUSTICE WHITAKER – OCTOBER 24, 2014

13. As indicated in the Checroune Affidavit, 148 has been involved in litigation since June 2014 with Jamshid Hussaini, Neelofar Ahmadi and Homelife Dreams Realty Inc. (“Hussaini Group”).
14. Hussaini Group commenced an action against 148 and its principal, Alain Checroune, seeking a declaration that they own 20% of the shares of 148 Ontario and a 20% interest in the Duncan Mill Property, and an order allowing the plaintiffs to purchase the remaining shares of 148 and the remaining interest in the Duncan Mill Property. 148 and

Alain Checroune counterclaimed for damages, resulting from the breach of a lease at the Duncan Mill Property by the Hussaini Group.

15. The Hussaini Group obtained a certificate of pending litigation (“CPL”) on the Duncan Mill Property in 2014 along with an injunction order of the Order Superior Court. A copy of the Order of Justice Whitaker dated October 24, 2014 (“**Injunction Order**”) is attached hereto as **Appendix “B”**. The Proposal Trustee was not aware of and did not have a copy of the Injunction Order at the time it filed its First Report with this Court but wishes to bring the Injunction Order to the attention of the Court. The Injunction Order restrains the sale of the Duncan Mill Property by 148 without the consent of the Hussaini Group or further Order of this Court.
16. The Proposal Trustee has not at this time had an opportunity to review the full pleadings and all orders from the Hussaini Group litigation.

TORGAN PROPERTIES LTD.

17. Legal counsel for the Proposal Trustee was contacted by counsel for Torgan Properties Ltd. (“**Torgan**”) on October 31, 2017 following the filing of the First Report. Torgan has notified the Proposal Trustee that they are a party to an Agreement of Purchase Sale (“**APS**”) dated August 24, 2017 with 148 for the sale of the Duncan Mill Property.
18. The Proposal Trustee first became aware of the purported APS with Torgan from this October 31, 2017 letter. Counsel for 148 has advised the Proposal Trustee that the APS was not completed and aborted prior to the NOI filing.
19. Torgan further advised that closing of the transaction with 148 was contemplated to occur on March 30, 2018. A copy of the October 31, 2017 letter from Mr. Stuart Brotman to Mr. Steven Graff is attached hereto as **Appendix “C”**.

20. Counsel for the Proposal Trustee has provided Torgan a copy of the Debtor's motion record and the Trustee's First Report.

DIP FINANCING

21. As noted in the First Report, 148 has been operating at a deficit.

22. As noted in the First Report, Alain Checroune personally or through a company under his control, has agreed to provide interim funding (the "DIP Loan") to 148 by way of an Interim Financing Facility Terms and Conditions Term Sheet (the "DIP Term Sheet").

23. The Proposal Trustee has now received an executed copy of the DIP Term Sheet from Caruda Holdings Ltd. ("DIP Lender"). A copy of the DIP Term Sheet is attached hereto as **Appendix "D"**.

24. The terms differ slightly from those initially proposed by the DIP Lender and reported at paragraph 26 of the First Report.

25. Certain of the key terms of the DIP Term Sheet are summarized below:

- a) Commitment Amount: Senior secured priority interim financing facility of up to CDN \$750,000 (subordinate to the property taxes, existing 1st and 2nd mortgages, and subordinate to the Administration charge).
- b) Lender Fee: \$25,000 payable as follows a) \$15,000 on the date of the first amount drawn under the DIP Loan and b) \$10,000 on the date of repayment of the DIP Loan.
- c) Holdback: \$50,000 of the DIP Loan to be held back to establish Interest Reserve.
- d) Interest Rate: 8 % per annum compounded monthly
- e) Security and Priority: The obligation of the borrowers under the DIP Term Sheet are to be subject to a court-ordered priority charge on all of the existing and after-acquired real and personal, tangible and intangible assets of 148 but subordinate to the property taxes, existing 1st and 2nd mortgages, and the Administration Charge.
- f) Conditions to Availability: The obligation of the DIP Lender to make Interim financing available to 148 is subject to and conditional upon, among other things, the

granting of the Order approving the DIP Facility, DIP Lender's Charge, and approval of a sales process.

REALTY TAX ARREARS

26. As reported in the First Report, the Debtor owes \$1,441,179.66 in property tax arrears to the City of Toronto. In addition to penalties, the interest rate on the property tax arrears is 1.25% per month.
27. Legal counsel for the 1st Mortgagee has advised the Debtor and the Proposal Trustee that it would be prepared to pay off the property tax arrears in full in order to stop the accrual of the property tax interest and penalties.
28. The 1st Mortgagee would provide these funds through a separate court-approved Interim Financing and charge. The Debtor and the Proposal Trustee intend to bring a separate motion for court approval once it has negotiated the terms including the interest rate and fee with the 1st Mortgagee.

EXTENSION OF TIME TO MAKE A PROPOSAL

29. The initial 30-day stay period granted upon the filing of the NOI expires on November 12, 2017. The Debtor and the Proposal Trustee in its First Report at paragraph 35 was seeking the maximum extension to December 27, 2017.
30. Following discussions with the First Mortgagee, the Debtor and the Proposal Trustee are now seeking an extension until December 22, 2017. The Debtor and the Proposal Trustee will seek a further extension prior to December 22, 2017.

All of which is respectfully submitted this 2nd day of November, 2017.

CROWE SOBERMAN INC.

Trustee acting under a Notice of Intention to Make a Proposal for
1482241 Ontario Limited



APPENDIX

‘C’

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

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

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

IN BANKRUPTCY AND INSOLVENCY

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

ORDER

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

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

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

- 2 -

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

SERVICE

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

ADMINISTRATION CHARGE

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

DIP FINANCING

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

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 "E" to the ~~the 13 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

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

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

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

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

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

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

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

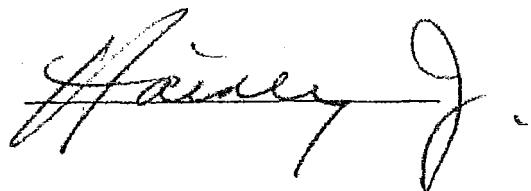
13. **THIS COURT ORDERS** that the time in which the Debtor is required to file a proposal is hereby extended to and including December 22, 2017.

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.

A handwritten signature in black ink, appearing to read "Haines J." The signature is fluid and cursive, with a large, stylized "H" and "J" at the end.

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. (the “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.



SINGAPORE
HONG KONG
CANADA

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.

CARUDA
- HOLDINGS -

SINGAPORE
HONG KONG
CANADA

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

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

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

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

Brokerage Fee: None

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



SINGAPORE
HONG KONG
CANADA

Assignment:

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

Legal Fees:

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

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

Yours truly,

CARUDA HOLDINGS LTD.

Per:

Andy Degan

Chief Financial Officer, Secretary
Member of the Board
Shareholder

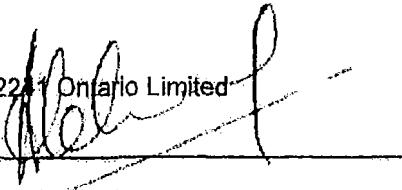


CARUDA
- HOLDINGS -

SINGAPORE
HONG KONG
CANADA

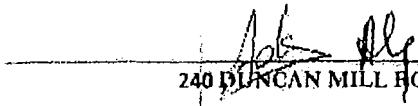
The foregoing is agreed to by the undersigned

1482241 Ontario Limited

Per: 

Name: Alain Checroune

Title: President


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

APPENDIX "A"

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

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

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

IN BANKRUPTCY AND INSOLVENCY

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

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

ORDER

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

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

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

SERVICE

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

ADMINISTRATION CHARGE

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

DIP FINANCING

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First - the Administration Charge; and

Second - the DIP Lender's Charge

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

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

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

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

APPROVAL OF SALE PROCESS

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

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

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

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

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

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

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

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

EXTENSION OF TIME TO FILE PROPOSAL

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

GENERAL

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

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

APPENDIX "B"

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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	\$20,105	\$20,105	\$20,105	\$20,105	\$20,105	\$20,105	\$121,170
Tenant Recoveries	\$79,703	\$79,703	\$79,703	\$79,703	\$79,703	\$79,703	\$378,221
Sale of Building (NOTE 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Court Approved Interim Financing / DIP Loan	\$0	\$84,000	\$91,000	\$87,000	\$87,000	\$188,000	\$535,000
TOTAL INCOME	\$168,112	\$246,112	\$256,112	\$262,112	\$262,112	\$381,112	\$1,826,631
CASH OUTFLOWS							
Snow Removal	\$0	\$0	\$2,800	\$2,800	\$2,800	\$2,800	\$11,566
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities (Electricity, Gas, Water)	\$27,891	\$50,891	\$59,891	\$59,891	\$59,891	\$59,891	\$327,345
Cleaning/Janitorial	\$11,081	\$11,081	\$11,081	\$11,081	\$11,081	\$11,081	\$46,361
Repairs & Maintenance	\$34,788	\$34,788	\$34,788	\$34,788	\$34,788	\$34,788	\$200,008
Property Management Fees	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$363,000
Office Administration	\$2,845	\$2,845	\$2,845	\$2,845	\$2,845	\$2,845	\$17,072
HST Remittance	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$90,000
Payroll Expenses	\$21,828	\$21,828	\$21,828	\$21,828	\$21,828	\$21,828	\$120,768
Professional Fees - Legal (NOTE 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Fees - Proposal Trustee (NOTE 2)	\$5,000	\$0	\$0	\$0	\$0	\$0	\$5,000
Professional Fees - Accounting/Consulting	\$8,000	\$0,000	\$0,000	\$0,000	\$0,000	\$0,000	\$34,000
Vehicle expense	\$1,073	\$1,073	\$1,073	\$1,073	\$1,073	\$1,073	\$11,236
TOTAL EXPENSES	\$138,668	\$164,648	\$169,485	\$169,485	\$169,485	\$206,788	\$1,081,707
NET CASH FLOW							
Repayment of 1st Mortgage	\$0	\$59,780	\$86,750	\$86,750	\$86,780	\$86,750	\$343,750
Repayment of 2nd Mortgage	\$0	\$15,187	\$15,187	\$15,187	\$15,187	\$15,187	\$75,633
NET CASH FLOW	\$26,645	\$24,175	\$26,814	\$26,864	\$24,304	\$24,600	

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

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

Payroll

Has been reduced for cost savings.

Payables

Listed on a COO 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 45-60 days with a closing scheduled for January or February 2018.

Professional Fees (NOTE 2)

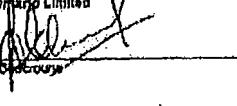
In order to conserve cash through the restructuring, Professional Fees of the Proposal Trustee and legal counsel for 148 will accrue to be paid upon the sale of the building.

CERTIFICATION

THE PURPOSE of this Statement of Projected Cash flow is to provide creditors with sufficient information to make an informed decision regarding the Proposal, and to fully disclose to the 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(5)(c) of the Bankruptcy and Insolvency Act and solely for that purpose.

Dated this 19th day of October 2017

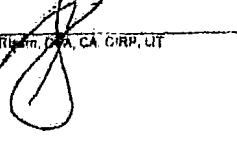
1482241 Ontario Limited


 Alan

Dated this 19th day of October 2017.

CROWE SOBER MART INC.

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


 Hans Ritter, CPA, CA, CIRP, LIT

Update filing - update is confirmed - E-Filing - Office of the Superintendent of Bankruptc... Page 1 of 1



Government
of Canada Gouvernement
du Canada

Update filing - update is confirmed

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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



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of Canada du Canada

Update filing - update is confirmed

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Estate Information

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

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

Document(s) submitted

The following document(s) have been successfully submitted

- Cash Flow Statement

Reference

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

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

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

Date modified: 2017-07-28

Appendix "C"

APPENDIX A
1482241 ONTARIO LIMITED
SALES PROCESS – OCTOBER 26, 2017

	Event	Timing
1.	The Proposal Trustee will select and retain a Listing Agent to assist the Proposal Trustee with the marketing and solicitation of offers for the Property.	On or before November * 2018
2.	Compile a list of interested parties through consultation with the Debtor, the Listing Agent, and the Crowe Network of advisors and investors in real estate. <u>The list of interested parties shall be kept confidential from the Debtor, Alain Checroun, 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.crowesoberinian.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.	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.	On or before December 15, 2017
6.7.	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.	<p>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:</p> <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) Provide for consideration that the Proposal Trustee considers commercially reasonable. 	January 16, 2018
10.11.	<p>If more than one Qualified 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").</p> <p>All Qualified Offerors shall be responsible for their own fees and costs relating to any transaction.</p>	January 16, 2018
11.12.	Auction (if necessary) and selection of Successful Offer, which shall be conducted in a manner to be further particularized by the Proposal Trustee in advance of the auction.	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.

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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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

ORDER

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Lawyers for 1482241 Ontario Limited

APPENDIX

‘D’

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL IN BANKRUPTCY OF
1482241 ONTARIO LIMITED
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

SECOND REPORT OF THE PROPOSAL TRUSTEE
December 13, 2017

INTRODUCTION

1. On October 13, 2017, 1482241 Ontario Limited ("148"), (the "Company" or the "Debtor"), filed a Notice of Intention to Make a Proposal ("NOI"). Crowe Soberman Inc. consented to act as the Proposal Trustee (the "Proposal Trustee") for the Company.
2. This report (the "Second Report") is filed by Crowe Soberman Inc., in its capacity as the Proposal Trustee for the Company. Unless otherwise noted, the defined terms used in this Second Report have the same meaning provided to them as in the First Report of the Proposal Trustee to Court dated October 27, 2017, and the Supplemental Report to the First Report of the Proposal Trustee dated November 2, 2017.
3. On October 27, 2017 the Proposal Trustee filed its First Report with the Court. The purposes of the First Report were to:
 - a) Summarize and support the Sales Process;
 - b) Report on the Debtor's cash flow projection for the period commencing October 19, 2017 and ending March 31, 2018 and the Debtor's need for a DIP Facility up to the principal amount of \$750,000;

- c) Support the request for a charge to secure the fees and disbursements of the Proposal Trustee, counsel for the Proposal Trustee, and the Debtor's counsel; and
- d) Support the Debtor's request for an extension of the time period to file a Proposal with the Official Receiver.

A true copy of the First Report (without appendices) is attached hereto as **Appendix "A"**.

4. On November 2, 2017 the Supplemental Report to the First Report of the Proposal Trustee was filed with the Court. The purposes of the Supplemental Report were to:

- a) Advise on the status of Avison Young being retained as property manager of the Duncan Mill Property;
- b) Report on certain concerns being communicated by tenants of the Duncan Mill Property to the Proposal Trustee;
- c) Provide the Court with a confidential letter of opinion regarding the value of the Duncan Mill Property dated November 1, 2017;
- d) Report on litigation involving the Duncan Mill Property and each of the Hussaini Group and Torgan;
- e) Provide an update on the DIP Term Sheet;
- f) Report on potential interim financing to pay realty tax arrears; and
- g) Recommend an initial extension of time for 148 to file a proposal to December 22, 2017.

A true copy of the Supplemental Report (without appendices) is attached hereto as **Appendix "B"**.

5. By Order of the Honourable Justice Hainey dated November 3, 2017 (the "November 3rd Order"), a copy of which is attached hereto as **Appendix "C"**, the Administration Charge, the DIP Term Sheet, the DIP Lender's Charge, the Sales Process, the First Report, the Supplemental Report, and the request for an extension of time to file a Proposal were approved.

PURPOSE

6. The purpose of the Second Report is to advise the Court on the status of the Sales Process as approved in the November 3rd Order, the status of the day-to-day management of the Duncan Mill Property, and the Proposal Trustee's position on the Company's application for an additional 45-day extension of time for filing a Proposal pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act* ("BIA"). The Proposal Trustee hereby submits this report to the Court pursuant to Section 50.4(7) (b) (ii) of the BIA.

SALES PROCESS

7. The Sales Process of the Duncan Mill Property is well underway. Pursuant to the November 3rd Order, the Proposal Trustee was required to carry out certain steps of the Sales Process on its own, and additional steps in consultation with the First Mortgagee. The Proposal Trustee has fulfilled the following, partly as outlined and defined in the Sales Process;

- The Proposal Trustee advertised the Duncan Mill Property and Sales Process in the national edition of the *Globe & Mail*. The advertisement ran on November 17, 2017;
- The Proposal Trustee posted the *Invitation for Offers*, the *Non-Disclosure Agreement*, and the *Form of Offer* on the Proposal Trustee's website;
- The Proposal Trustee sent the *Invitation for Offers* and the *Non-Disclosure Agreement* to a list of parties identified by the Proposal Trustee and via the Crowe Horwath professional network;
- The Proposal Trustee entered into a listing agreement with Cushman & Wakefield Ltd. ("Cushman") on November 20, 2017, after negotiating various competing proposals, to assist with the marketing and solicitation of offers for the Property;
- Cushman has assisted in compiling a list of interested parties from their own professional network and has advertised the Property and Sales Process in the

national edition of the *Globe & Mail* on a bi-weekly basis since being retained by the Proposal Trustee;

- Cushman has prepared their own Invitation for Offers and has circulated to their own professional network;
- The Proposal Trustee has set up an online data room where parties that executed the Non- Disclosure Agreement are provided online access to view documents regarding the Duncan Mill Property to facilitate their due diligence;
- The Proposal Trustee retained Pinchin Ltd. to prepare a Baseline Property Condition Assessment and a Phase I Environmental Site Assessment. Both reports were completed in early December and are available in the online data room; and
- As of the date of the Second Report, the Proposal Trustee has not been advised by the Company in writing if it intends to make an offer in the Sales Process. Pursuant to the Sales Process, the Company has until December 15, 2017 to so advise the Proposal Trustee.

SALES PROCESS BID DEADLINE

8. The Sales Process currently contemplates a Bid Deadline of January 15, 2018 for parties to submit a binding offer, which are to remain open for acceptance by the Proposal Trustee until January 19, 2018.
9. The Proposal Trustee recognizes that its role is to ensure that the Duncan Mill Property is properly exposed to the marketplace via the Sales Process, to maximize the best return for all stakeholders.
10. The Proposal Trustee suggests an extension of the Bid Deadline to February 15, 2018, and corresponding extension of the milestones that follow the Bid Deadline. There were delays in choosing a Listing Agent to properly assist in exposing the market place, and completing certain critical reports required for the due diligence of interested parties. Combined with the fact that the holiday season is taking place during the marketing period, the Proposal

Trustee is of the view that an extension is required in order to adequately expose the Duncan Mill Property to the marketplace.

PROPERTY MANAGEMENT

11. The Proposal Trustee, in consultation with the First Mortgagee, entered into an agreement with Avison Young on November 8, 2017 to manage the day-to-day operations at the Duncan Mill Property. From the date of the agreement with Avison Young, the Proposal Trustee worked closely with the existing staff of the Company to assist in the transition towards Avison Young taking control of the receipts and disbursements, including reporting and remitting to the Canada Revenue Agency ("CRA"), liaising and communicating with tenants, and planning improvements, repairs, and maintenance to the Duncan Mill Property.
12. In November 2017, Avison Young provided notice to all tenants at the Duncan Mill Property of its appointment as the property manager. Avison Young advised tenants of its contact information and physical location in the building, and provided particulars for making rental payments moving forward. Avison Young has advised the Proposal Trustee that the rental payments for December have been collected and deposited into its own trust account in the name of the Company. The Proposal Trustee has also been advised that payments towards the CRA for payroll remittances have been processed, and the returns and reporting for the HST account for October and November are also being finalized.
13. There have been some challenges in the transition of the day-to-day property management being carried out by the Company to Avison Young. For example, shortly after the agreement with Avison Young was entered into, the owner of the Company unilaterally terminated the employment of the sole building operator. That position has yet to be filled, as the owner of the Company has not approved or accepted the alternatives that have been offered by Avison Young and the Proposal Trustee. In addition, certain repairs and improvements have been paid for and requested by the Company without the knowledge of Avison Young. The Proposal Trustee continues to assist with the transition as these issues arise.

Monitoring of the Company's Financial Affairs

14. As advised earlier in this report, December rental payments, and future rental payments from tenants, are being directed to Avison Young, which has taken control of the Company's receipts and disbursements.
15. The Proposal Trustee has monitored the banking activity of the Company prior to the transition to Avison Young. Based on the Proposal Trustee's review of the bank statements it appears that the majority of the disbursements made were directed towards the ongoing expenses of the Company. The Proposal Trustee noted that a bank transfer was made to the Company on November 2, 2017 in the amount of \$51,776.71 and was later repaid on November 16, 2017 via a cheque payment made to Alain Checroune. The Proposal Trustee also noted a payment made to Caruda Holdings in the amount of \$16,000.80, which it was advised by the Company related to tenant improvements made at the Duncan Mill Property. The Company refers to these payments at paragraphs 8 and 9 of the affidavit of Alain Checroune sworn December 12, 2017.
16. On December 11, 2017 counsel for the Proposal Trustee sent correspondence to the Company advising on its concerns with the allegations of interference being made by Avison Young, and on the payment made to Alain Checroune that was done without the knowledge of the Proposal Trustee. A true copy of the December 11th correspondence is attached hereto as **Appendix "D"**.

Stay Extension Application

17. As the Debtors are applying for an additional extension of the 30 day period within which the Proposal must be filed, in the Proposal Trustee's view, the Company has acted and continues to act in good faith and with due diligence.
18. The Debtors would likely be able make a viable proposal if an extension being applied for were granted.

19. No creditor is likely to be materially prejudiced if an extension of the time within which the proposal could be filed is granted.

20. Based on the foregoing, the Proposal Trustee supports the Company's application for an Order extending the time for the Company to file its Proposal to creditors.

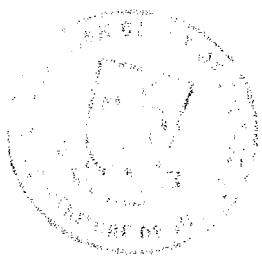
All of which is respectfully submitted this 13th day of December, 2017.

CROWE SOBERMAN INC.
Trustee acting under a Notice of Intention to Make a Proposal for
1482241 Ontario Limited



APPENDIX

‘E’



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 HAINES) OF DECEMBER, 2017

IN BANKRUPTCY AND INSOLVENCY

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

ORDER

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

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

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

- 2 -

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

SERVICE

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

AMENDMENTS TO SALE PROCESS

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

EXTENSION OF TIME TO FILE PROPOSAL

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

DIP FINANCING

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

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

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

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

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

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

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

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

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

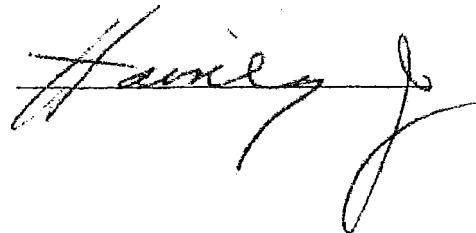
11. **THIS COURT ORDERS** that the Debtor shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, the Tax DIP Lenders' Charge.

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

- (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.



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

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

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Lawyers for 1482241 Ontario Limited

APPENDIX

‘F’

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL IN BANKRUPTCY OF
1482241 ONTARIO LIMITED
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

THIRD REPORT OF THE PROPOSAL TRUSTEE
FEBRUARY 1, 2018

INTRODUCTION

1. On October 13, 2017, 1482241 Ontario Limited (“148”), (the “Company” or the “Debtor”), filed a Notice of Intention to Make a Proposal (“NOI”). Crowe Soberman Inc. consented to act as the Proposal Trustee (the “Proposal Trustee”) for the Company.
2. This report (the “Third Report”) is filed by Crowe Soberman Inc., in its capacity as the Proposal Trustee for the Company. Unless otherwise noted, the defined terms used in this Second Report have the same meaning ascribed to them as in the First Report of the Proposal Trustee dated October 27, 2017 (the “First Report”), the Supplemental Report to the First Report of the Proposal Trustee dated November 2, 2017 (the “Supplemental Report”), and the Second Report of the Proposal Trustee dated December 13, 2017 (the “Second Report”).
3. On October 27, 2017, the Proposal Trustee filed its First Report with the Court. The purpose of the First Report was to:
 - a) Summarize and support the Sales Process;

- b) Report on the Debtor's cash flow projection for the period commencing October 19, 2017 and ending March 31, 2018, and the Debtor's need for a DIP Facility up to the principal amount of \$750,000;
- c) Support the request for a charge to secure the fees and disbursements of the Proposal Trustee, counsel for the Proposal Trustee, and Debtor's counsel; and
- d) Support the Debtor's request for an extension of the time within which to file a proposal with the Official Receiver.

A true copy of the First Report (without appendices) is attached hereto as **Appendix "A"**.

4. On November 2, 2017, the Proposal Trustee filed its Supplemental Report with the Court. The purpose of the Supplemental Report was to:
 - a) Advise on the status of Avison Young being retained as property manager of the Duncan Mill Property;
 - b) Report on certain concerns being communicated by tenants of the Duncan Mill Property to the Proposal Trustee;
 - c) Provide the Court with a confidential letter of opinion regarding the estimated value of the Duncan Mill Property dated November 1, 2017;
 - d) Report on litigation involving the Duncan Mill Property and each of the Hussaini Group and Torgan;
 - e) Provide an update on the DIP Term Sheet;
 - f) Report on potential interim financing to pay realty tax arrears; and
 - g) Recommend that the time within which the Debtor must file a proposal with the Official Receiver be extended to December 22, 2017.

A true copy of the Supplemental Report (without appendices) is attached hereto as **Appendix "B"**.

5. By Order of the Honourable Justice Hainey dated November 3, 2017 (the "**November 3rd Order**"), a copy of which is attached hereto as **Appendix "C"**, the Administration Charge, the DIP Term Sheet, the DIP Lender's Charge, the Sales Process, the First

Report, the Supplemental Report, and the request for an extension of time to file a Proposal, were approved.

6. On December 13, 201, the Proposal Trustee filed its Second Report with the Court. The purpose of the Second Report was to:

- a) Provide an update with regard to the status of the Sales Process;
- b) Request an extension of the Bid Deadline from January 15th, to February 15th, 2018, and corresponding extensions of the other milestones set out in the Sales Process;
- c) Advise on the status of the day-to-day management of the Duncan Mill Property;
- d) Report on the Company's financial affairs; and
- e) Support the Debtor's request for a further extension of the time within which to file a proposal with the Official Receiver, to February 5, 2018.

A true copy of the Second Report (without appendices) is attached hereto as **Appendix "D"**.

7. By Order of the Honourable Justice Hainey dated December 20, 2017 (the "**December 20th Order**"), a copy of which is attached hereto as **Appendix "E"**, the Bid Deadline extension was approved, the Debtor was authorized to borrow under a credit facility to repay the outstanding realty taxes owed in respect of the Duncan Mill Property, and the request for an extension of time to file a proposal to February 5, 2018 was approved.

PURPOSE

8. The purpose of this Third Report is to:

- a) Provide an update with regard to the status of the Sales Process;
- b) Report on the challenges experienced in maintaining the temperature and condition of the Duncan Mill Property over the holiday season;
- c) Convey the information the Proposal Trustee has received from professional mechanical engineering firms regarding the state of the Duncan Mill Property;

- d) Report on the Proposal Trustee's request that the Debtor make a request for funding to the DIP Lender (Caruda Holdings Ltd.), to pay outstanding disbursements relating to the maintenance and management of the Duncan Mill Property;
- e) Advise that the Debtor is presently advertising leasing opportunities at the Duncan Mill Property for rental rates which are below market rates;
- f) Support the Debtor's request for a further extension of the time within which to file a proposal, for the purpose of allowing the Sales Process to be taken to its conclusion.

SALES PROCESS

9. The Sales Process in respect of the Duncan Mill Property continues to advance towards the extended Bid Deadline of February 15, 2018. There has been a healthy response to the marketing campaign carried out by Cushman & Wakefield Ltd. ("Cushman") and the Proposal Trustee. Numerous parties have executed NDA's and accessed the online data room to carry out their due diligence. Interested parties have also attended at the Duncan Mill Property for tours supervised and arranged by Avison Young and Cushman. Attached hereto as **Confidential Appendix "1"** is the list of parties that have executed NDA's and have been granted access to the online data room.
10. On December 15, 2017, counsel for the Debtor advised the Proposal Trustee that the DIP Lender and/or a company incorporated by, controlled by or related to it, and/or Alain Checroune personally, intends to submit a bid in the Sales Process. Accordingly, in accordance with the Sales Process, the Proposal Trustee is treating the Debtor Parties in the same manner as all other Interested Parties (as those terms are defined in the Sales Process).

CONDITION OF THE DUNCAN MILL PROPERTY

11. The Proposal Trustee retained Pinchin Ltd., to conduct a Baseline Property Condition Assessment Report (“BCA Report”) of the Duncan Mill Property for prospective purchasers to review in the course of their due diligence. The BCA Report was completed on November 28, 2017, and was posted in the Proposal Trustee’s online data room for review by parties that have executed NDA’s. The BCA Report identifies and recommends repairs and replacements of various components relating to the building’s operating systems and structure over a ten year period, the total cost of which could amount to approximately \$5.89 million. A copy of the BCA Report is attached hereto as Appendix “F”.
12. Over the course of the Christmas holidays, Toronto experienced severe cold weather for an extended period of time. Due to the age and need for repair of certain aspects of the Duncan Mill Property, as outlined in the BCA Report, various pipes and radiators burst and flooded tenant spaces, both vacant and occupied, causing damage to certain areas. The flooding required Avison Young to coordinate retaining professionals to conduct emergency repairs and clean-up efforts, commencing over the holidays and continuing into the present. The Debtor notified its insurer, representatives of which attended at the Duncan Mill Property to inspect the damage and begin processing a claim. The present status and quantum of the claim is unknown.
13. Once the damage caused by the flooding was mitigated, new challenges in heating and maintaining the temperature at the Duncan Mill Property arose. Avison Young retained the mechanical firm Copperhead Mechanical Ltd. (“Copperhead”), with the Debtor’s agreement, to assess and repair the radiators that had burst and perform other repairs as needed. Upon completion of its assessment, Copperhead was able to bring heat back to the Duncan Mill Property, but advised that the solution it had implemented was temporary. Copperhead recommended that a mechanical engineering firm be retained to work with it to properly diagnose the problems and identify solutions.

14. Accordingly, the Proposal Trustee retained the mechanical engineering firm Weinstein Taylor & Associates (“WTA”). WTA attended at the Duncan Mill Property on several occasions to meet with Copperhead, Avison Young, and the Proposal Trustee, to coordinate the steps required to restore reliable heating. After numerous attendances, WTA prepared an engineering assessment (“WTA Engineering Assessment”) for the Proposal Trustee which outlined the challenges associated with providing reliable heat to the Duncan Mill Property using the existing heating system. The WTA Engineering Assessment recommended the purchase and installation of new boilers at a cost of approximately \$450,000, to generate sufficient heat throughout the building, and to bring the heating system up to code. A true copy of the WTA Engineering Assessment is attached hereto as **Appendix “G”**, and has been posted to the data room.
15. The existing BCA Report had similarly recommended the replacement of the boilers and heating system, but concluded that such replacement was not required immediately. In contrast, the WTA Engineering Assessment concluded that the boilers needed to be replaced urgently, and that this work could not wait until the conclusion of the Sales Process and/or the next heating season. Accordingly, on January 17, 2018, the Proposal Trustee and its counsel met with Avison Young, and counsel for the Debtor, to discuss the WTA Engineering Assessment and proposed next steps to address the problems identified. The Proposal Trustee agreed to retain a second engineering firm to provide a second opinion. In addition, the Proposal Trustee scheduled a 9:30 attendance before Justice Hainey on January 25, 2018, in the event that the parties could not agree on a course of action.
16. The Proposal Trustee retained Hind Engineering Ltd. to prepare a second opinion with regard to the status of the boilers, which opinion was provided to the Proposal Trustee on January 19, 2018 (“Hind Report”). A true copy of the Hind Report is attached hereto as **Appendix “H”**, and has been posted to the data room.
17. The Hind Report outlines the same issues and concerns involving the age of the boiler system, and other aspects of the heating system at the Duncan Mill Property, as the WTA Engineering Assessment and the BCA Report. However, like the BCA Report, the Hind

Report concludes that the existing boiler capacity is sufficient to carry the building into the next heating season. The Hind Report also makes certain recommendations as to immediate minor repairs that will improve the situation as a stop gap measure.

18. Upon receipt of the Hind Report, the Proposal Trustee consulted with Avison Young and the Debtor to determine the preferred course of action. The parties concluded that no immediate major replacement work was required. Accordingly, the Proposal Trustee cancelled the attendance before the Court scheduled for January 25, 2018. The Proposal Trustee is working with Avison Young to implement the recommendations set out in the Hind Report, and to complete such minor repairs as are necessary to ensure that the Duncan Mill Properly is safely heated.
19. The Proposal Trustee is of the view that, given that potential purchasers are already aware that the boilers must be replaced in the near future, and that the Hind Report concludes that the existing boilers will provide sufficient heating capacity for the remainder of this winter, leaving the existing boilers in place, while conducting such minor repairs as are necessary, will produce the best outcome in terms of realization from the Sales Process and avoid the need for further DIP financing to address the cost of more extensive repairs.
20. On January 4, 2018, a fire safety inspection was conducted at the Duncan Mill Property that resulted in a Notice of Violation. A true copy of the Notice of Violation is attached hereto as **Appendix "I"**. In response to the notice of violation, Avison Young implemented full-time security, known as "fire-watch", to supervise the Duncan Mill Property until such time as the violations were remedied. The Proposal Trustee has been advised by Avison Young that the violations have been remedied, and the fire-watch is no longer required.

MARKETING OF VACANT UNITS

21. Cushman has provided the Proposal Trustee with a listing that the Debtor posted via MLS for a leasing opportunity at the Duncan Mill Property. The listing offers rental space at a rate of

\$8.00 per square foot. Cushman has advised the Proposal Trustee that the rate is below fair market value, and that the market rate is closer to \$13.00 per square foot. Attached as Appendices "J" and "K" are the listing for the rental at the Duncan Mill Property, and a comparison of rental rates in the same area provided by Cushman.

22. The Proposal Trustee has advised the Debtor that it is inappropriate to advertise space for lease at the Duncan Mill Property at below-market rents. The Proposal Trustee is advised by Cushman that leaving such space vacant will be more attractive to potential purchasers than putting in place tenancies at below-market rents. The Proposal Trustee recommends that the Debtor cease marketing leasing opportunities at the Duncan Mill Property pending the conclusion of the Sales Process, and has advised the Debtor of its recommendation in this regard. The Proposal Trustee is continuing to work with the Debtor to arrive at a satisfactory resolution of this issue. Should the Debtor continue to market leasing opportunities at the Duncan Mill Property, the Proposal Trustee intends to bring this issue back before the Court.

REQUEST FOR DIP FUNDING

23. Pursuant to the Cash Flow filed by the Debtor on the motion returnable November 3, 2017, the Debtor projected that a DIP Loan would be required in order to meet the Debtor's monthly expenses until the completion of the Sales Process. To date, the Debtor has not required any cash injections, partly because certain of the projected disbursements have not been paid, including certain professional fees and the cost of repairs and maintenance for curing known deficiencies. However, due to the need for repairs and maintenance as described earlier in this Third Report, funds are now required.

24. On January 26, 2018, the Proposal Trustee's counsel wrote to the Debtor's counsel to request that the Debtor make a request for funding under the DIP Loan. The Proposal Trustee's correspondence included a statement of outstanding disbursements which require payment. The Proposal Trustee also advised that there are insufficient funds available from the cash flow arising from the Duncan Mill Property (i.e. rental payments) to pay those disbursements, and requested that the Debtor initiate a request for an advance under the DIP Loan to cover those

costs for January and February. A copy of this correspondence, including the draft accounting prepared by Avison Young, is attached hereto as **Appendix "L"**.

25. The Debtor has not refused the request made by the Proposal Trustee, but has also not requested the \$200,000 from the DIP Lender. The Debtor advised the Trustee that it has some concerns regarding the manner in which Avison Young has managed the receipts for this past December and January, and has requested more information with respect to certain disbursements that are to be paid.
26. The Proposal Trustee is of the view that Avison Young has been managing receipts and disbursements appropriately. With regard to Avison Young's fees, Avison Young's projected management rate of \$10,000 per month was based upon the continued use on-site of building staff retained by the Debtor. Upon Avison Young's appointment, the Debtor terminated the employment of its building staff, such that Avison Young was required to retain additional staff to manage the Duncan Mill Property. The Proposal Trustee will continue to work with the Debtor to reconcile the issues raised by it with regard to Avison Young's management and the status of the outstanding obligations.
27. Given that the Debtor knew cash injections would be required based on its own projected cash flow, obtained a Court Order approving a DIP loan on that basis, and acknowledges that work and repairs were required on an emergency basis, it is unclear to the Proposal Trustee why the Debtor takes a critical view to the management of funds by Avison Young.
28. The Proposal Trustee is optimistic that it can work with the Debtor to obtain the Debtor's agreement to pay the outstanding amounts described above, using funding from the DIP Loan, as necessary. Should the Debtor and the Proposal Trustee not be able to come to an understanding on this issue, the Proposal Trustee will report back to the Court on this matter. The Debtor also recommends that if there are still outstanding disbursements upon the completion of the Sales Process, those amounts should be paid from the sale proceeds. The Proposal Trustee is reviewing which of the outstanding payables can be delayed until such time.

STAY EXTENSION APPLICATION

29. In the Proposal Trustee's view, it is appropriate to further extend the period within which the proposal must be filed so that the Sales Process can be brought to its conclusion. Based on the response received to date, the Proposal Trustee is of the view that the Sales Process will result in a positive outcome for the stakeholders.

30. In the Proposal Trustee's view, the Debtor would likely be able make a viable proposal if the extension being applied for is granted.

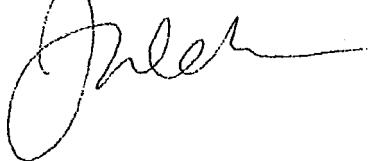
31. No creditor is likely to be materially prejudiced if an extension of the time within which to file a proposal is granted.

32. Based on the foregoing, the Proposal Trustee supports the Company's motion for an Order extending the time within which the Company is obligated to file its proposal with the Official Receiver.

All of which is respectfully submitted this 1st day of February, 2018.

CROWE SOBERMAN INC.

Trustee acting under a Notice of Intention to Make a Proposal for
1483241 Ontario Limited

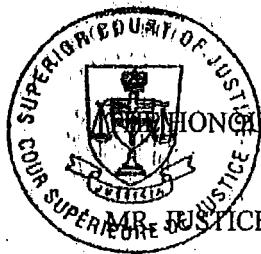


APPENDIX

‘G’

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)



MR. JUSTICE HAINY) FRIDAY, THE 2ND DAY
)
) 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.

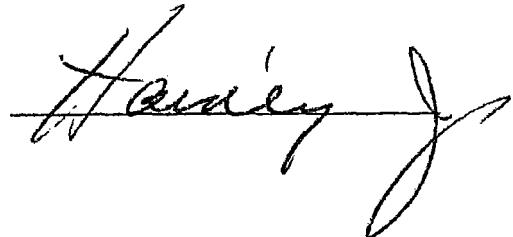
ON READING the Affidavit of Alain Checroune, sworn January 31, 2018, the Third Report of Crowe Soberman Inc., in its capacity as Licensed Insolvency Trustee with respect to the Debtor (in such capacity, the "Proposal Trustee"), dated February 1, 2018, and on hearing the submissions of counsel for the 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 Ariyana Botejue, 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.

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

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

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

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Lawyers for 1482241 Ontario Limited

APPENDIX

‘H’



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
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January 17, 2018

Private and Confidential

Email (sgraff@airdberlis.com) and
Fax (416.863.1515)

Aird Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario
M5J 2T9

Gregory Azeff
Direct Line: 416.595.2660
gazeff@millerthomson.com

Nahla Khouri
Direct Line: 905.532.6619
nkhouri@millerthomson.com

Ivan Merrow
Direct Line: 905.532.6637
imerrrow@millerthomson.com

File: 196560.0001

Attention: Steven L. Graff

Dear Mr. Graff:

Re: In the Matter of the Proposal of 1482241 Ontario Limited

We write to you as counsel to Crowe Soberman Inc., the proposal trustee ("Proposal Trustee") of 1482241 Ontario Limited ("148"), in the context of the proposal proceedings pursuant to the *Bankruptcy and Insolvency Act (Canada)*, R.S.C. 1985, c. B-3 ("BIA") bearing Court File No. 31-2303814 (the "Proposal Proceedings").

As you know, we are counsel to the Respondents Mr. Jamshid Hussaini, Ms. Neelofar Ahmadi, and Homelife Dreams Realty Inc. in the Proposal Proceedings. Mr. Hussaini, Ms. Ahmadi and Homelife Dreams Realty Inc. are also Plaintiffs in an action bearing Court File No. CV-14-506305, wherein 148 and Mr. Alain Checroune are Defendants (the "Hussaini Proceedings"). In the Hussaini Proceedings, Mr. Hussaini and Ms. Ahmadi seek the specific performance of an Agreement of Purchase and Sale dated June 6, 2012 and amended June 18, 2012 (the "APS"), in respect of the land and premises located at 240 Duncan Mill Road, Toronto, Ontario (the "Subject Property").

Further to Ms. Ahmadi's affidavit sworn November 2, 2017 in the Proposal Proceedings, pursuant to an express trust agreement entered into on or about September 21, 2005 (the "Trust Declaration"), 148 held, and continues to hold, the Subject Property in trust as bare trustee for Mr. Checroune. The Trust Declaration indicates that 148 has no beneficial interest in the Subject Property.

At the time Mr. Checroune entered into the APS with Mr. Hussaini and Ms. Ahmadi, he was the 100% beneficial owner of the Subject Property. Subsequent to entering into the APS, pursuant to an Amended Trust Declaration dated June 22, 2012 (the "Amended Trust Declaration"), Mr. Checroune transferred and assigned 20% of his interest in the Subject Property as follows: 15% to Mr. Hussaini and 5% to Ms. Ahmadi. While 148 holds legal title to the Subject Property, 148 does not have any beneficial interest in the Subject Property. 148 holds the Subject Property for its true beneficial owners, Mr. Checroune, Mr. Hussaini, and Ms. Ahmadi.

Our clients maintain that they are entitled to purchase the Subject Property pursuant to the APS. As trust property, the Subject Property does not form part of 148's estate. Our clients are prepared to close with the Proposal Trustee, on behalf of 148 as legal owner of the Subject Property, based on a purchase price of \$15,000,000.00 as stipulated in the APS. The proposed sale of the Subject Property to our clients pursuant to the APS can occur based on the timeline provided for in the sales process described in the Order of Justice Hainey dated November 3, 2017, amended on December 20, 2017, or sooner. The sale of the Subject Property to Mr. Hussaini and Ms. Ahmadi ought to provide sufficient funds to cover the debts of 148 while serving the creditors of 148 without the expense of a prolonged court-supervised sale process.

We consider that the Proposal Trustee is bound by the APS as though it were 148. The Proposal Trustee has no power to disclaim the APS. It was made in favour of Mr. Hussaini and Ms. Ahmadi, as *bona fide* purchasers, for valuable consideration, and is valid and effective pursuant to section 75 of the BIA.

In *Armadale Properties Ltd. v. 700 King Street (1997) Ltd.*, [2001] O.J. No. 1727, the Court held that a trustee must perform an agreement of purchase and sale entered into prior to bankruptcy:

[t]he Trustee is an officer of the court and must act fairly to all parties with an interest in the estate. It would be dishonourable for the Trustee to disclaim this contract. I therefore find that the Trustee is bound by the contract in the same manner and to the same extent as the bankrupt was at the time of the bankruptcy and has no power to disclaim the contract.

If the Proposal Trustee on behalf of 148 is not prepared to complete the sale pursuant to the APS, in our view, the appropriate course of conduct is for the Proposal Trustee to bring a motion for advice and directions regarding the applicability of section 75 of the BIA, and our clients' position regarding their entitlement to purchase the Subject Property pursuant to the APS. Our clients reserve their rights to challenge any decision by the Proposal Trustee pursuant to section 37 of the BIA that is not in accordance with its duties and obligations.

Please contact me at your earliest convenience should you require any further information. We look forward to hearing from you.



Yours truly,

MILLER THOMSON LLP

Per:

Gregory Azoff

CC: Clients
Enzo Di Iorio (edilorio@millerthomson.com)
Nahla Khouri (nkhouri@millerthomson.com)
Ivan Merrow (imerrow@millerthomson.com)
Miranda Spence (mspence@airdberlis.com)



APPENDIX

‘I’

100

AIRD BERLIS

Steven L. Graff
Direct: 416.865.7726
Email: sgraff@airdbelis.com

January 29, 2018

VIA EMAIL (gazeff@millerthomson.com)

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 3S1

Attention: Gregory R. Azeff

Dear Mr. Azeff:

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")**

We have your letter dated January 17, 2018. We respond on behalf of Crowe Soberman Inc. in its capacity as proposal trustee of the Debtor (the "Proposal Trustee").

As you are aware, the Agreement of Purchase and Sale dated June 6, 2012, and amended June 18, 2012 referred to in your letter (the "APS") was entered into between Jamshid Hussaini and Neelofar Ahmadi of the first part, and Alain Checroune of the second part. The Debtor is not a party to the APS. Accordingly, the Proposal Trustee has no power to perform the APS, even if it had any obligation to do so pursuant to section 75 of the BIA, which is denied.

In any event, Mr. Hussaini and Ms. Ahmadi have effectively attorned to the sale process described at Appendix C to the Order of the Honourable Justice Hainey dated November 3, 2017 (as amended, the "Sale Process") by (a) failing to oppose the approval of the Sale Process, and (b) advising us by way of letter dated December 14, 2017, of their intention to make an offer to purchase the Duncan Mill Property as part of the Sale Process. They may not now request that the Proposal Trustee take steps to convey the Duncan Mill Property in a manner that does not comply with the Sale Process.

If you do not agree with our position as set out herein, we request that you schedule a 9:30 appointment before Justice Hainey forthwith, so that this matter may be brought before the court prior to the conclusion of the Sale Process.

We look forward to receipt of your clients' offer to purchase the Duncan Mill Property in accordance with the Sale Process.

Page 2

Yours very truly,

AIRD & BERLIS LLP

for Steven L. Graff
SLG/MS

cc: Hans Rizarri
Graeme Hamilton
Nahla Khouri
Ivan Merrow

31612849.1

APPENDIX

‘J’

Bankruptcy and Insolvency Act
PROOF OF CLAIM (PROPERTY)

102

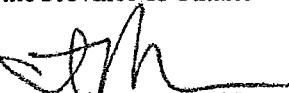
**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO** and the claim of Neelofar Ahmadi, creditor.

I, Neelofar Ahmadi, of the Town of Richmond Hill in the Province of Ontario, DO HEREBY CERTIFY:

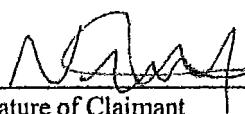
1. That I am the claimant.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on the 13th day of October, 2017, 1482241 Ontario Limited (the "Debtor") filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada).
4. That on that date the property enumerated in the document(s) attached and marked "A" was in the possession of the Debtor, and still remains in the possession of the Debtor and the trustee.
5. That the claimant hereby claims that property, or interest in it, by virtue of the document(s) attached and marked "A" and "B", namely:
 - (i) The claimant claims a five percent (5%) beneficial interest in the real property described as LT 82-83 PL 7607 NORTH YORK; PT LT 84 PL 7607 NORTH YORK PT 2, RS 1284; TORONTO (N YORK), CITY OF TORONTO and known municipally as 240 Duncan Mill Road, Toronto, Ontario; and identified as Parcel Identifier Number 100880069 (the "Property", which term also includes the chattels, fixtures, equipment and leases and rental agreements relating thereto);
 - (ii) The claimant's claim to the above-noted interest in the Property is based upon the following documents, copies of which are attached hereto:
 - (A) Trust Declaration dated September 21, 2005 between 1482241 Ontario Limited, as Trustee, and Alain Checroune, as Beneficiary; and
 - (B) Amended Trust Declaration dated June 22, 2012 between and among 1482241 Ontario Limited, as Trustee, Alain Checroune, Jamshid Hussaini and Neelofar Ahmadi.
6. That the claimant is entitled to demand from the Debtor and the trustee the return of the property enumerated in these documents.
7. That I hereby demand that the trustee return to me the property enumerated in the document(s) within the 15 days after the filing of this form, or within the 15 days after the first meeting of the creditors of the debtor, whichever is the later.

IN THE
SWORN before me at the City of VAUGHAN, REGION OF YORK, in the Province of Ontario, this 30TH day of JANUARY, 2018.

Commissioner of Oaths
for the Province of Ontario



IVAN MERROW
LAWYER


Signature of Claimant

“A”

"A"

TRUST DECLARATION

THIS AGREEMENT made as of the 21st day of September, 2005.

BETWEEN:

1482241 ONTARIO LIMITED

(hereinafter called the "Trustee")

OF THE FIRST PART

- and -

ALAIN CHECROUNE

(hereinafter called the "Beneficiary")

OF THE SECOND PART

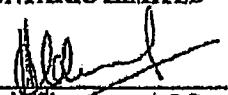
FOR GOOD AND VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged by the parties hereto) the parties hereto agree as follows:

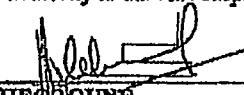
1. The Trustee acknowledges and agrees that it holds legal title to the lands and premises more particularly described on Schedule A hereto (the "Property") in trust as a bare trustee for the Beneficiary and that it shall have no beneficial interest whatsoever therein.
2. The Trustee agrees to remit to the Beneficiary or as it may direct all revenue owing from the Property to which it holds legal title in any way arising out of or in connection with the Property.
3. The Trustee agrees that it will from time to time execute and deliver at the request of the Trustee, such instruments or documents as may be required to convey legal title to the Property, and where the Property is comprised of parcels capable of being conveyed separately, then to any of such parcels, to the Beneficiary or as it may direct.
4. The Beneficiary shall fully and completely indemnify and save harmless the Trustee from all liability, claims, charges, encumbrances, obligations, responsibilities or omissions and all costs and expenses, including legal costs and expenses, in connection with the Property and the hotel within which it is situate during the entire period of time that the Trustee holds legal title to the Property pursuant to this Agreement, including, without limitation, payment of taxes and levies, condominium fees and charges, utilities, repairs, insurance, maintenance, mortgage principal and interest.
5. The Trustee agrees to execute and deliver or cause to be executed and delivered to the Beneficiary such instruments as further assurance as may be requested by the Beneficiary to give effect to the terms of this Agreement.
6. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the Trustee and the Beneficiary have executed this Agreement as of the date above first written.

1482241 ONTARIO LIMITED

Per:


Alain Chegroune, A.S.O.
"I have the authority to bind the corporation."


ALAIN CHEGROUN

Schedule "A"

LT 82-83 PL 7607 NORTH YORK; PT LT 84 PL 7607 NORTH YORK PT 2, RS 1284; TORONTO (N YORK), CITY OF TORONTO; and identified as Parcel Identifier Number ("PIN") 100880069 comprising approximately 11,650 m²

“B”

"B"

AMENDED TRUST DECLARATION

DATED June 22, 2012.

BETWEEN:

1482241 ONTARIO LIMITED

(hereinafter called the "Trustee")

OF THE FIRST PART

- and -

ALAIN CHECROUNE

OF THE SECOND PART

- and -

JAMSHID HUSSAINI

OF THE THIRD PART

- and -

NEELOFAR AHMADI

OF THE FOURTH PART

WHEREAS the Trustee and Alain Checroune, as beneficiary, entered into a trust declaration dated as of September 21, 2005, as amended (collectively the "Declaration");

AND WHEREAS the parties hereto (collectively the "Parties") desire to further amend the Declaration as hereinbelow set forth;

NOW THEREFORE, for good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The Declaration remains in full force and effect, unamended except as may be indicated herein.
2. Defined terms not otherwise defined herein shall have the meanings attributed thereto in the Declaration.
3. Alain Checroune, being the beneficial owner of one hundred percent (100%) of the interest in the Property, hereby transfers and assigns twenty percent (20%) of his interest in the Property, including the chattels, fixtures, equipment and leases and rental agreements relating thereto (collectively the "Property and Assets"), as follows:
 - (a) As to fifteen percent (15%), to Jamshid Hussaini; and

(b) As to five percent (5%) to Neelofar Ahmadi
and does hereby direct the Trustee to record this transaction on its books and records.

4. In view of the foregoing, the Trustee acknowledges and declares that it is now holding:

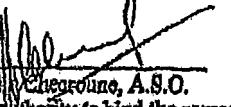
- A fifteen percent (15%) interest in the Property and Assets in trust for Jamshid Hussain;
- A five percent (5%) interest in the Property and Assets in trust for Neelofar Ahmadi; and
- An eighty percent (80%) interest in the Property and Assets in trust for Alain Chetroune.

5. This agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns.

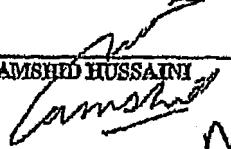
IN WITNESS WHEREOF the Parties have executed this amendment as of the date above first written.

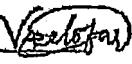
1482241 ONTARIO LIMITED

Per:


Alain Checroux, A.S.O.
"I have the authority to bind the corporation."


ALAIN CHECROUX


JAMSHED HUSSAINI


NEELOFAR AHMADI

Bankruptcy and Insolvency Act
PROOF OF CLAIM (PROPERTY)

111

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO and the claim of Jamshid Hussaini, creditor.

I, Jamshid Hussaini, of the TOWN OF RICHMOND HILL in the Province of Ontario, DO HEREBY CERTIFY:

1. That I am the claimant.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on the 13th day of October, 2017, 1482241 Ontario Limited (the "Debtor") filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada).
4. That on that date the property enumerated in the document(s) attached and marked "A" was in the possession of the Debtor, and still remains in the possession of the Debtor and the trustee.
5. That the claimant hereby claims that property, or interest in it, by virtue of the document(s) attached and marked "A" and "B", namely:
 - (i) The claimant claims a fifteen percent (15%) beneficial interest in the real property described as LT 82-83 PL 7607 NORTH YORK; PT LT 84 PL 7607 NORTH YORK PT 2, RS 1284; TORONTO (N YORK), CITY OF TORONTO and known municipally as 240 Duncan Mill Road, Toronto, Ontario; and identified as Parcel Identifier Number 100880069 (the "Property", which term also includes the chattels, fixtures, equipment and leases and rental agreements relating thereto);
 - (ii) The claimant's claim to the above-noted interest in the Property is based upon the following documents, copies of which are attached hereto:
 - (A) Trust Declaration dated September 21, 2005 between 1482241 Ontario Limited, as Trustee, and Alain Checroune, as Beneficiary; and
 - (B) Amended Trust Declaration dated June 22, 2012 between and among 1482241 Ontario Limited, as Trustee, Alain Checroune, Jamshid Hussaini and Neelofar Ahmadi.
6. That the claimant is entitled to demand from the Debtor and the trustee the return of the property enumerated in these documents.
7. That I hereby demand that the trustee return to me the property enumerated in the document(s) within the 15 days after the filing of this form, or within the 15 days after the first meeting of the creditors of the debtor, whichever is the later.

IN THE

SWORN before me at the City of VAUGHAN, REGION OF YORK in the Province of Ontario, this 30TH day of JANUARY, 2018.

Commissioner of Oaths
for the Province of Ontario



IVAN MERROW
LAWYER


Signature of Claimant

“A”

"A"

TRUST DECLARATION

THIS AGREEMENT made as of the 21st day of September, 2005.

BETWEEN:

1482241 ONTARIO LIMITED

(hereinafter called the "Trustee")

OF THE FIRST PART

- and -

ALAIN CHECROUNE

(hereinafter called the "Beneficiary")

OF THE SECOND PART

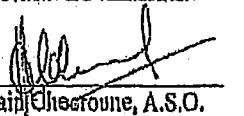
FOR GOOD AND VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged by the parties hereto) the parties hereto agree as follows:

1. The Trustee acknowledges and agrees that it holds legal title to the lands and premises more particularly described on Schedule A hereto (the "Property") in trust as a bare trustee for the Beneficiary and that it shall have no beneficial interest whatsoever therein.
2. The Trustee agrees to remit to the Beneficiary or as it may direct all revenue owing from the Property to which it holds legal title in any way arising out of or in connection with the Property.
3. The Trustee agrees that it will from time to time execute and deliver at the request of the Trustee, such instruments or documents as may be required to convey legal title to the Property, and where the Property is comprised of parcels capable of being conveyed separately, then to any of such parcels, to the Beneficiary or as it may direct.
4. The Beneficiary shall fully and completely indemnify and save harmless the Trustee from all liability, claims, charges, encumbrances, obligations, responsibilities or omissions and all costs and expenses, including legal costs and expenses, in connection with the Property and the hotel within which it is situated during the entire period of time that the Trustee holds legal title to the Property pursuant to this Agreement, including, without limitation, payment of taxes and levies, condominium fees and charges, utilities, repairs, insurance, maintenance, mortgage principal and interest.
5. The Trustee agrees to execute and deliver or cause to be executed and delivered to the Beneficiary such instruments as further assurance as may be requested by the Beneficiary to give effect to the terms of this Agreement.
6. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the Trustee and the Beneficiary have executed this Agreement as of the date above first written.

1482241 ONTARIO LIMITED

Per:


Alain Checroune, A.S.O.
"I have the authority to bind the corporation."


ALAIN CHECROUN

Schedule "A"

LT 82-83 PL 7607 NORTH YORK; PT LT 84 PL 7607 NORTH YORK PT 2, RS 1284; TORONTO (N
YORK), CITY OF TORONTO; and identified as Parcel Identifier Number ("PIN") 100880069
comprising approximately 11,650 m²

“B”

"B"

AMENDED TRUST DECLARATION

DATED June 22, 2012.

BETWEEN:

1482241 ONTARIO LIMITED

(hereinafter called the "Trustee")

OF THE FIRST PART

- and -

ALAIN CHECROUNI

OF THE SECOND PART

- and -

JAMSHID HUSSAINI

OF THE THIRD PART

- and -

NEELOFAR AHMADI

OF THE FOURTH PART

WHEREAS the Trustee and Alain Checrouni, as beneficiary, entered into a trust declaration dated as of September 21, 2005, as amended (collectively the "Declaration");

AND WHEREAS the parties hereto (collectively the "Parties") desire to further amend the Declaration as hereinbelow set forth;

NOW THEREFORE, for good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The Declaration remains in full force and effect, unamended except as may be indicated herein.
2. Defined terms not otherwise defined herein shall have the meanings attributed thereto in the Declaration.
3. Alain Checrouni, being the beneficial owner of one hundred percent (100%) of the interest in the Property, hereby transfers and assigns twenty percent (20%) of his interest in the Property, including the chattels, fixtures, equipment and leases and rental agreements relating thereto (collectively the "Property and Assets"), as follows:
 - (a) As to fifteen percent (15%), to Jamshid Hussaini; and

(b) As to five percent (5%) to Neelofar Ahmadi
and does hereby direct the Trustee to record this transaction on its books and records.

4. In view of the foregoing, the Trustee acknowledges and declares that it is now holding:

- A fifteen percent (15%) interest in the Property and Assets in trust for Jamshid Hussain;
- A five percent (5%) interest in the Property and Assets in trust for Neelofar Ahmadi; and
- An eighty percent (80%) interest in the Property and Assets in trust for Alain Checroux.

5. This agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns.

IN WITNESS WHEREOF the Parties have executed this amendment as of the date above first written.

1482241 ONTARIO LIMITED

Per:

Alain Checroine, A.S.O.
"I have the authority to bind the corporation."

ALAIN CHERECROINE

JAMSHID HUSSAINI

Jamshid Neelofar
NEELOFAR AHMADI

APPENDIX

‘K’

AIRD BERLIS

Steven L. Graff
Direct: 416.865.7726
Email: sgraff@airdberris.com

February 13, 2018

VIA EMAIL (gazeff@millerthomson.com / cmills@millerthomson.com)

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 3S1

Attention: Gregory R. Azeff and Craig Mills

Dear Sirs:

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")**

We write in reference to your letter dated January 17, 2018, the proofs of claim dated January 30, 2018 sworn by your clients Mr. Hussaini and Ms. Ahmadi (the "Proofs of Claim"), and the subsequent exchange of correspondence between our respective offices.

As we advised you in our letter dated January 29, 2017, your clients attorned to the sale process described at Appendix C to the Order of the Honourable Justice Hainey dated November 3, 2017 (as amended, the "Sale Process") by, among other things, (a) failing to oppose the approval of the Sale Process, and (b) advising us by way of letter dated December 14, 2017, of their intention to make an offer to purchase the Duncan Mill Property as part of the Sale Process.

By way of the same letter, we advised you that if your clients disagreed with the position set out above, they ought to schedule a 9:30 appointment so that the matter may be brought before the court prior to the conclusion of the Sale Process.

In response to our January 29, 2018 letter, you initially scheduled a 9:30 appointment on February 1, 2018. Following discussions with our office regarding the likely outcomes of such an attendance, you cancelled the appointment.

Between January 31, 2018, and February 9, 2018, we exchanged further emails regarding your clients' position concerning the Sale Process. As part of this correspondence, we advised you, among other things, that we acknowledge your clients are asserting claims as described in the Proofs of Claim, but that we are not in a position to decide the merits of these claims at this stage.

In light of the facts set out above and addressed in our correspondence, your clients are not entitled to seek specific performance of any agreement that purports to convey the Duncan Mill Property to them, nor are they entitled to assert that the Proposal Trustee cannot convey clear title to the Duncan Mill Property to the successful purchaser under the Sale Process. Given that the Sale

Page 2

Process was approved by the Court, and its approval was not opposed by any party, the Proposal Trustee takes this position (as it should and must) in order to preserve the integrity of the Sale Process and to maximize value to stakeholders. We further note that, if your clients' claims are eventually accepted, the stakeholders who will benefit from an elevated purchase price will include your clients.

Having said that, we acknowledge that your clients are entitled to do the following:

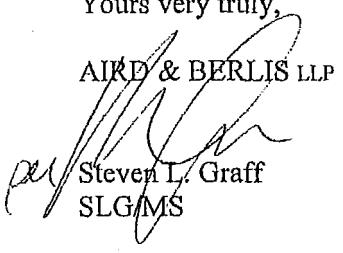
- (a) make a bid to purchase the Duncan Mill Property, as part of the Sale Process; and
- (b) assert a claim against the proceeds of sale, in accordance with any claims process that the Proposal Trustee initiates to address claims against the Debtor and/or the Duncan Mill Property.

With regard to point (b) above, we confirm that the Proposal Trustee will provide you with adequate notice of the claims process prior to making any distributions from the proceeds of sale.

With regard to the Proofs of Claim that have been filed, as set out above, the Proposal Trustee has not yet initiated any claims process. At this stage in the proceeding, the Proposal Trustee has not yet taken possession of any property belonging to the Debtor, and is not in a position to accept any claims in respect of such property. Accordingly, we enclose notices of disallowance of each of the Proofs of Claim. Please be advised, however, that these notices of disallowance have been issued without prejudice to your clients' right to re-file proofs of claim once a claims process is initiated.

We trust the foregoing is satisfactory, and look forward to receipt of your clients' bid in the Sale Process.

Yours very truly,


AIRD & BERLIS LLP

Steven L. Graff
SLG/MS

cc: Hans Rizarri
Graeme Hamilton
Nahla Khouri
Ivan Merrow



Crowe Soberman Inc.
Licensed Insolvency Trustee
Member Crowe Horwath International

2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5
416.929.2500 Tel.
416.929.2555 Fax
1.877.828.2501 Toll Free
www.crowesobermaninc.com

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

**NOTICE OF DISALLOWANCE OF PROPERTY CLAIMS
RIGHT TO PRIORITY OR SECURITY
(Subsection 81)**

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

TAKE NOTICE THAT, as Trustee of the above estate, we have disallowed your property claim against the estate, for the following reasons:

- the Trustee has not yet convened a claims process in this estate, and your property claim is accordingly premature;
- the property claim is a contingent claim which is subject to a lawsuit that has not yet been determined;
- the property claim is disputed by the Debtor; and
- no judgment against the Debtor has been obtained.

AND FURTHER TAKE NOTICE THAT the within disallowance is issued without prejudice to your right to file a further claim once the Trustee has convened a claims process.

AND FURTHER TAKE NOTICE THAT if you are dissatisfied with our decision in disallowing your claim in whole or in part, you may appeal to the Court within the 15 day period after the day on which this notice is served or sent, or within such further period as the Court may, on application made within the same 15 day period, allow.

Dated at the City of Toronto, in the Province of Ontario, this February 13th, 2018.

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

TO:
Neelofar Ahmadi
c/o Miller Thomson LLP
Attn: Ivan Merrow
100 New Park Place, Suite 700
Vaughan, Ontario L4K 0H9

REGISTERED & ORDINARY MAIL & E-MAIL



Crowe Soberman Inc.
Licensed Insolvency Trustee
Member Crowe Horwath International

2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5
416.929.2500 Tel.
416.929.2555 Fax
1.877.829.2501 Toll Free
www.crowesobermaninc.com

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

**NOTICE OF DISALLOWANCE OF PROPERTY CLAIMS
RIGHT TO PRIORITY OR SECURITY
(Subsection 81)**

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

TAKE NOTICE THAT, as Trustee of the above estate, we have disallowed your property claim against the estate, for the following reasons:

- the Trustee has not yet convened a claims process in this estate, and your property claim is accordingly premature;
- the property claim is a contingent claim which is subject to a lawsuit that has not yet been determined;
- the property claim is disputed by the Debtor; and
- no judgment against the Debtor has been obtained.

AND FURTHER TAKE NOTICE THAT the within disallowance is issued without prejudice to your right to file a further claim once the Trustee has convened a claims process.

AND FURTHER TAKE NOTICE THAT if you are dissatisfied with our decision in disallowing your claim in whole or in part, you may appeal to the Court within the 15 day period after the day on which this notice is served or sent, or within such further period as the Court may, on application made within the same 15 day period, allow.

Dated at the City of Toronto, in the Province of Ontario, this February 13th, 2018.

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

TO:
Jamshid Hussaini
c/o Miller Thomson LLP
Attn: Ivan Merrow
100 New Park Place, Suite 700
Vaughan, Ontario L4K 0H9

REGISTERED & ORDINARY MAIL & E-MAIL

APPENDIX

‘L’



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

February 20, 2018

Private and Confidential

Email (sgraff@airdberlis.com)

Craig A. Mills
Direct Line: 416.595.8696
cmills@millerthomson.com

File: 196560.0001

Aird Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario
M5J 2T9

Attention: Steven L. Graff

Dear Mr. Graff:

Re: In the Matter of the Proposal of 1482241 Ontario Limited ("148")

We have your letter dated February 13, 2018 and wish to respond.

As you know, it has always been our clients' position that they are beneficial owners of the Duncan Mill Property. This was the position taken by our clients in response to the motion brought by 148 to approve the Sale Process and as set out in Mr. Azeff's letter dated January 17, 2018. While we reserve our right to respond in more detail to your assertion that our clients have attorned to the Sale Process or that our clients are not entitled to seek specific performance (to which we disagree), we point out that Justice Hainey's endorsement dated November 3, 2017 specifically preserved our clients' ability to assert their claim to the Duncan Mill Property.

To that end, we confirm your acknowledgement of our clients' claims and our clients' ability to assert a claim to the proceeds of sale in accordance with a claims process initiated by the Proposal Trustee. However, we are concerned by the Proposal Trustee's decision to issue Notices of Disallowance in respect to our clients' Proofs of Claim (Property) dated January 30, 2018. As you know, s.81(2) of the BIA states that a trustee must respond to a property claim within: (a) 15 days of the filing of the claim, or (b) 15 days after the first meeting of creditors, whichever is later. To our knowledge, there has been no meeting of creditors in the proposal proceedings, so the time in which to admit/disallowance our clients' claims has not yet been triggered.

Further, while we acknowledge that the disallowances were issued without prejudice to our clients' right to re-file fresh Proofs of Claim (Property) once a claims process is initiated, the issuance of the Notices of Disallowance raise several concerns:

1. Our clients have no assurance that a claims process will be initiated in the proposal proceedings. To that end, we require confirmation that, assuming a "Successful Offer" is selected (as defined in the Sale Process Order) and it is approved by the Court, the Proposal Trustee will seek an order that, *inter alia*, provides that:

- i. the net sale proceeds must be held in trust by Proposal Trustee following the closing;
- ii. there shall be no distributions of the sale proceeds to any creditors, subject to further order by the Court; and
- iii. reserves our clients' rights to assert that the net proceeds do not form of 148's estate based on the trust declaration/amended trust declaration.

2. To that end, we require that the Proposal Trustee seek direction from the Court following the closing as to a mechanism to resolve our clients' claim prior to the distribution of proceeds, the formulation of a claims process or a BIA proposal. As you know, if our clients' position is accepted, this will have a significant impact on the proposal proceedings.

Please advise as to the Proposal Trustee's position in respect to the above.

Yours truly,

MILLER THOMSON LLP

Per:



Craig A. Mills

CC: Clients
Enzo Di Iorio (edilorio@millerthomson.com)
Nahla Khouri (nkhouri@millerthomson.com)
Ivan Merrow (imerrow@millerthomson.com)
Miranda Spence (mspence@airdberlis.com)



APPENDIX

‘M’



MILLER THOMSON
AVOCATS | LAWYERS

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T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

February 28, 2018

Private and Confidential

Email (sgraff@airdbelis.com)

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario
M5J 2T9

Attention: Steven L. Graff

Dear Mr. Graff:

Re: In the Matter of the Proposal of 1482241 Ontario Limited ("148")

As indicated in our letter dated February 28, 2018, while we acknowledge that the disallowances were issued without prejudice to our clients' right to re-file fresh Proofs of Claim (Property) once a claims process is initiated, we are serving the enclosed Notice of Motion appealing the Proposal Trustee's Notices of Disallowance pursuant to s. 81(2) of the BIA.

The enclosed Notice of Motion is being served purely out of an abundance of caution in order to comply with s. 81(2) and protect our clients' interests, if necessary. As you will see, the Notice of Motion states that it will be scheduled at a chamber's appointment to be scheduled before Justice Hainey. We trust that we will not need to schedule a date; however, we reserve our clients' rights and remedies in this regard. If you wish to discuss, please let me know. Otherwise, I presume that you do not have any issue with this in light of the language contained in the Notices.

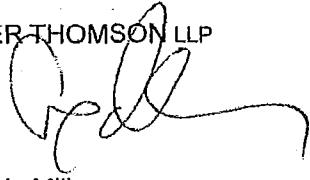
I note that we have not heard from you with respect to the concerns raised in my letter February 20, 2018. Can you please advise as to the Proposal Trustee's position?

Finally, aside from your email sent on February 23rd, I did not hear back from you with respect to the status of the sale process. Can you please advise so that we can provide an update to our clients?

Yours truly,

MILLER THOMSON LLP

Per:



Craig A. Mills

CC: Enzo Di Iorio (ediiorio@millerthomson.com)
Nahla Khouri (nkhouri@millerthomson.com)
Ivan Merrow (imerrow@millerthomson.com)
Miranda Spence (mspence@airdberlis.com)



Court File No.: 31-2303814
Estate 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**

BETWEEN:

JAMSHID HUSSAINI and NEELOFAR AHMADI

Moving Parties

-and-

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

NOTICE OF MOTION

TAKE NOTICE that the Moving Parties, Jamshid Hussaini and Neelofar Ahmadi (collectively, the "Claimants") will make a motion by way of appeal from the Notices of Disallowance of Property Claims, each dated February 13, 2018 delivered by Crowe Soberman Inc., trustee (the "Trustee") acting in respect to the proposal proceedings of 1482241 Ontario Limited ("148") on a date to be scheduled before Justice Hainey at a 9:30 am chambers appointment or as soon after that time as the motion can be heard at the Courthouse, Toronto, Ontario.

PROPOSED METHOD OF HEARING: Orally

THE MOTION IS FOR:

1. An Order extending the time in which to bring this appeal, if necessary;

2. An Order allowing the Claimants' appeal from the disallowance by the Trustee on February 13, 2018 of the Claimants' Proofs of Claim (Property);
3. An Order declaring that the Claimants collectively hold a 20 percent beneficial interest (the "Claimants' Beneficial Interest") in the property municipally described as 240 Duncan Mill Road in Toronto (the "Property"), or any proceeds arising from the sale of the Property through the sale process (the "Sale Process") conducted by the Trustee pursuant to the Order of Justice Hainey dated November 3, 2017, which was amended pursuant to the Order dated December 20, 2017
4. Costs of this motion on a substantial indemnity basis; and
5. Such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. On October 13, 2017, 148 filed a Notice of Intention to Make a Proposal ("NOI"). The Trustee consented to act as the Proposal Trustee for 148.
2. By Order dated Justice Hainey approved, among other things, the Sale Process and an extension to file a Proposal to December 22, 2017. By Order dated December 20, 2017, the timelines under the Sale Process were amended and the time to file a proposal was extended to February 5, 2018. This was later extended to March 22, 2018.
3. Although no proposal has yet been filed in these proceedings, the Claimants, as a precaution, filed Proofs of Claim (Property) (the "Property Claims") under s. 81 of the *Bankruptcy and Insolvency Act (Canada)* ("BIA") on January 30, 2018 with the Trustee with respect to the Claimants' Beneficial Interest in the Property pursuant to an Amended Trust Declaration dated June 22, 2012 between 148 and the Claimants.
4. On February 13, 2018, the Trustee purported to send Notices of Disallowance of Property Claims Right to Priority or Security (the "Trustee's Notices") to the Claimants.

The Trustee's reasons for the disallowance were that: (i) the Trustee has not yet convened a claims process and that the Property Claims were premature; (ii) the Property Claims are contingent claims that are subject to a lawsuit that has not yet been determined; (iii) the Property Claims are disputed by 148; (iv) no judgment has been obtained in respect to the Property Claims.

5. Both the Trustee's Notices, along with the letter from its counsel dated February 13, 2018, clearly state that its disallowance is without prejudice to the Claimants' right to re-file the Property Claims once the Trustee has convened a claims process.

6. Although the Claimants are cognizant of the Trustee's confirmation of their ability to re-file the Property Claims, they are appealing the Trustee's Notices out of an abundance of caution to preserve their Property Claims and without prejudice to their ability to re-file the Property Claims;

7. The Claimants submit that the Trustee has, contrary to s. 81(2) of the BIA, improperly disallowed the Property Claims. Section 81(2) provides that the Trustee shall: (i) within 15 days after the filing of a claim; or (ii) within 15 days of the first meeting of creditors, whichever is later, either admit the claim or send notice in the prescribed form to the claimant that the claim is disputed. As there has been no meeting of creditors under the proposal proceedings, there was no reason for the Trustee to have issued the Trustee's Notices;

8. Further, the Trustee's disallowance was not in compliance with s. 81(2) of the BIA in that the Trustee purported to disallow rather than dispute the Claimants' claims.

9. The Claimants respectfully submit that they filed proper Proofs of Claim (Property).

10. Justice Hainey's endorsement dated November 3, 2017 specifically states that the November 3, 2017 order did not determine the validity and enforceability of the agreements to which the Claimants are a party, or any related interests;

11. No proposal has been filed to date in these proceedings.

12. Sections 81 and 187(11) of the *BIA*.
13. Rules 3, 6 and 11 of the *Bankruptcy and Insolvency General Rules*.
14. Such further and other grounds as counsel may advise and this Honourable Court may accept.

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

1. Affidavit of Neelofar Ahmadi, with exhibits, to be filed;
2. Affidavit of Jamshid Hussaini, with exhibits, to be filed;
3. Such further and other evidence as counsel may advise and this Honourable Court may permit.

DATED: February 28, 2018

MILLER THOMSON LLP
Barristers & Solicitors
40 King Street West
Suite 5800
Toronto, Ontario M5H 3S1

Craig A. Mills LSUC#40947B
Tel.: 416.595.8596
Fax: 416.595.8695

Ivan Merrow LSUC#: 70064U
Tel: 905.532.6607
Fax: 905.660.0139

Counsel for the Moving Parties

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

Hans Rizzari

Tel: (416) 929.2500
Fax (416) 929.2555

CROWE SOBERMAN Inc., Trustee acting in the Proposal of 1482241 ONTARIO LIMITED

Aird Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
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M5J 2T9

Steven L. Graff/
Miranda Spence
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F: 416.863.1515

Email: sgraff@airdberlis.com
mspnce@airdberlis.com

Counsel for the Trustee

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

Court File No: 31-2303814

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

Proceeding commenced at Toronto

Notice of Motion

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON CANADA M5H 3S1

Craig A. Mills LSUC#40947B
Tel.: 416. 595.8596
Fax: 416.595.8695

Counsel for the Moving Parties

APPENDIX

‘N’

AIRD BERLIS

Steven L. Graff
Direct: 416.865.7726
Email: sgraff@airdberlis.com

March 5, 2018

VIA EMAIL (cmills@millerthomson.com)

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 3S1

Attention: Craig Mills

Dear Mr. Mills:

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")

We write in response to your letters dated February 20, 2018, and February 28, 2018, and to provide you with an update with regard to the Sales Process.

An auction was conducted on February 26, 2018, which resulted in the Proposal Trustee entering into an agreement of purchase and sale with regard to the Duncan Mill Property. The Proposal Trustee will be bringing a motion for approval of the APS, and related relief, on March 16, 2018.

We have your clients' position as set out in your letters referred to above. We remind you that the sale proceeds will be paid to the Proposal Trustee, and that the Proposal Trustee has no authority to distribute the sale proceeds, except as authorized by the Court or in accordance with the *Bankruptcy and Insolvency Act*. Your clients are listed on the creditor mailing list as well as the service list in this proceeding. Accordingly, they will have full notice of any steps the Proposal Trustee may seek to take with regard to the distribution of the sale proceeds, together with the opportunity to respond and/or file a claim, as applicable.

We have your Notice of Motion appealing the Proposal Trustee's Notices of Disallowance with regard to the proofs of claim filed by your client. As indicated, the Notices of Disallowance were issued without prejudice to your clients' rights to re-file their proofs of claim at the appropriate time, and we invite them to do so. We do not intend to take any steps in relation to the Notice of Motion at this time, but acknowledge that your clients have reserved their rights in this regard.

Page 2

Yours very truly,

AIRD & BERLIS LLP

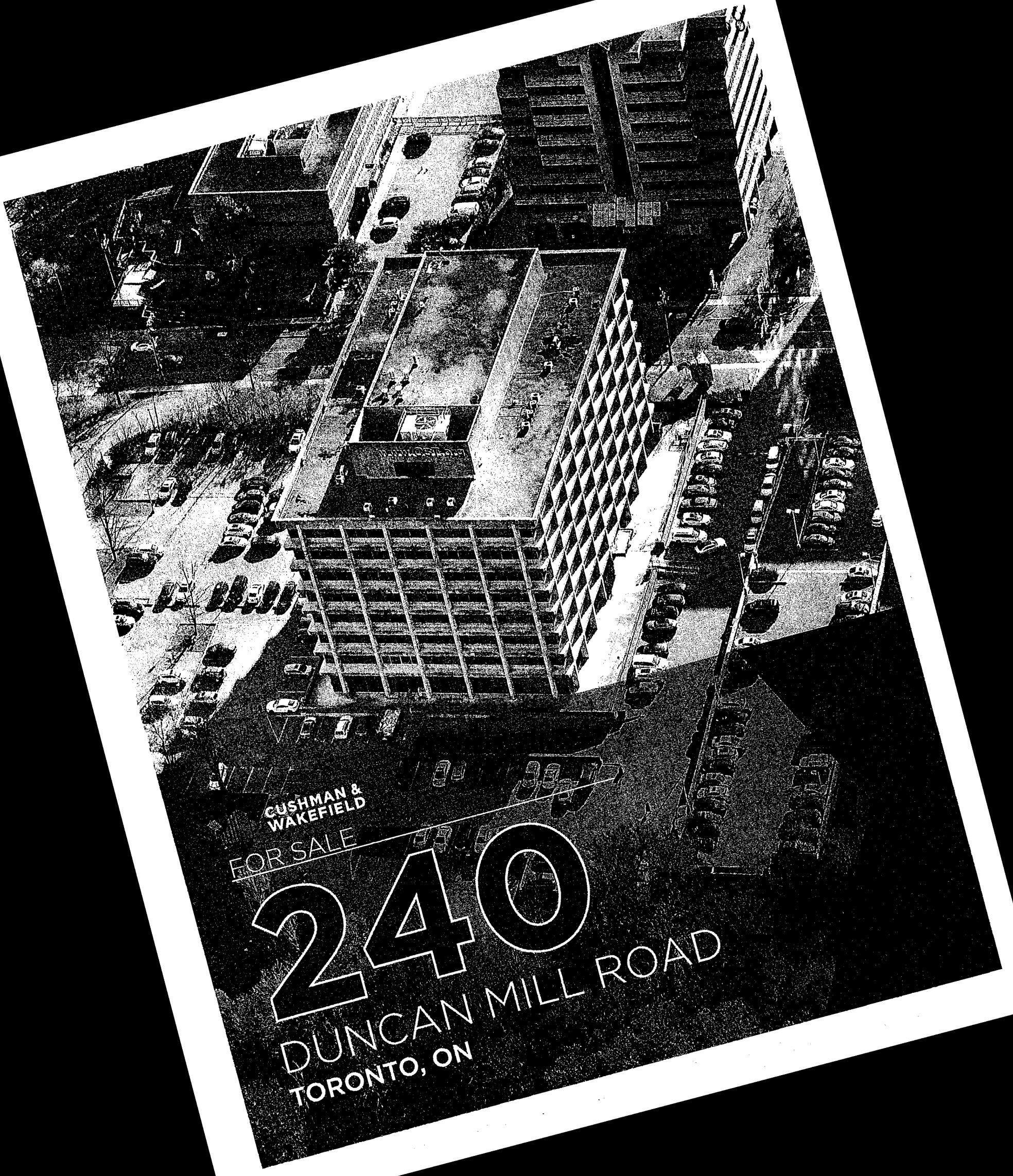
Per
Steven L. Graff
SLG/MS

cc: Hans Rizarri
Graeme Hamilton
Miranda Spence
Nahla Khouri
Ivan Merrow

31903206.1

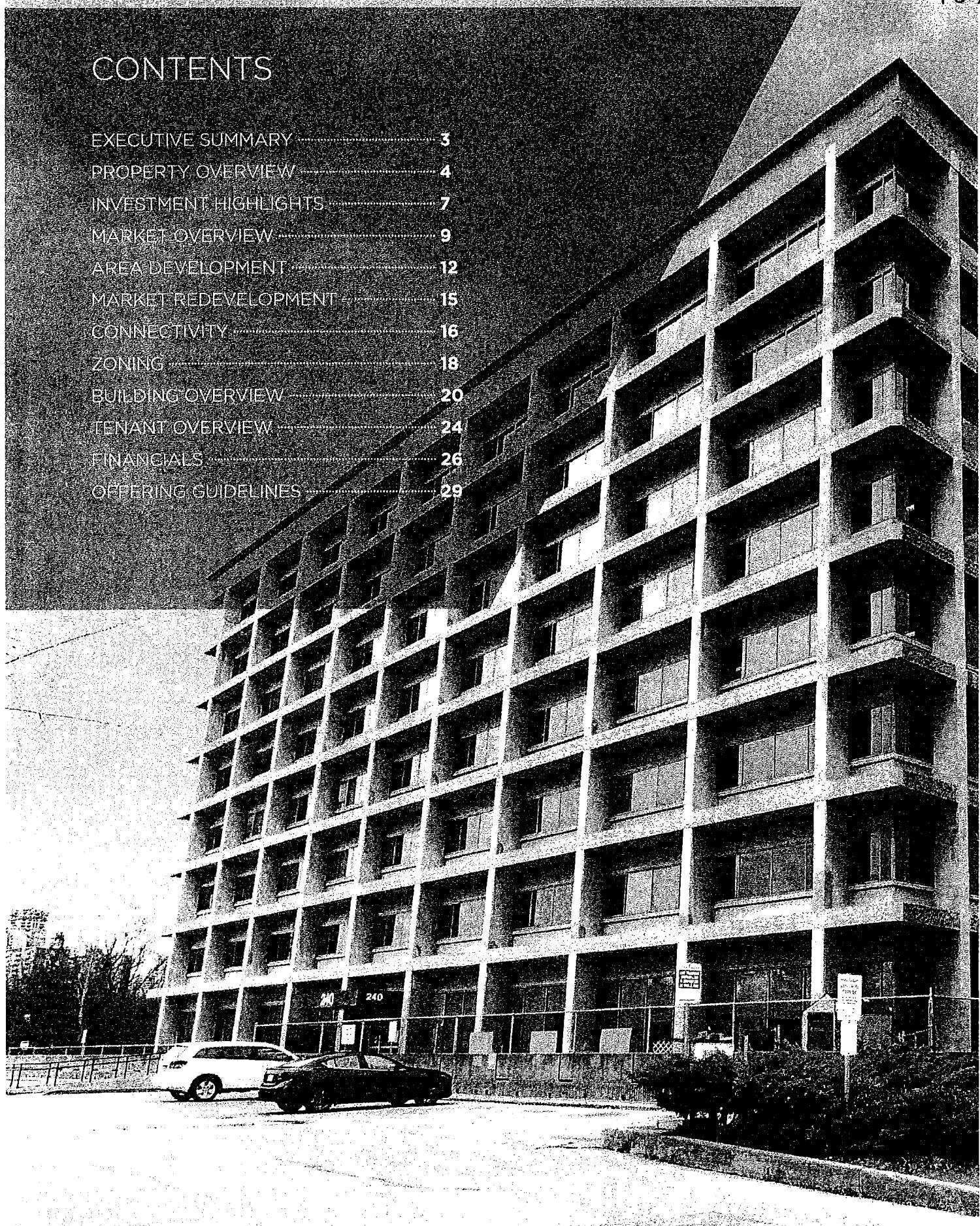
APPENDIX

‘O’



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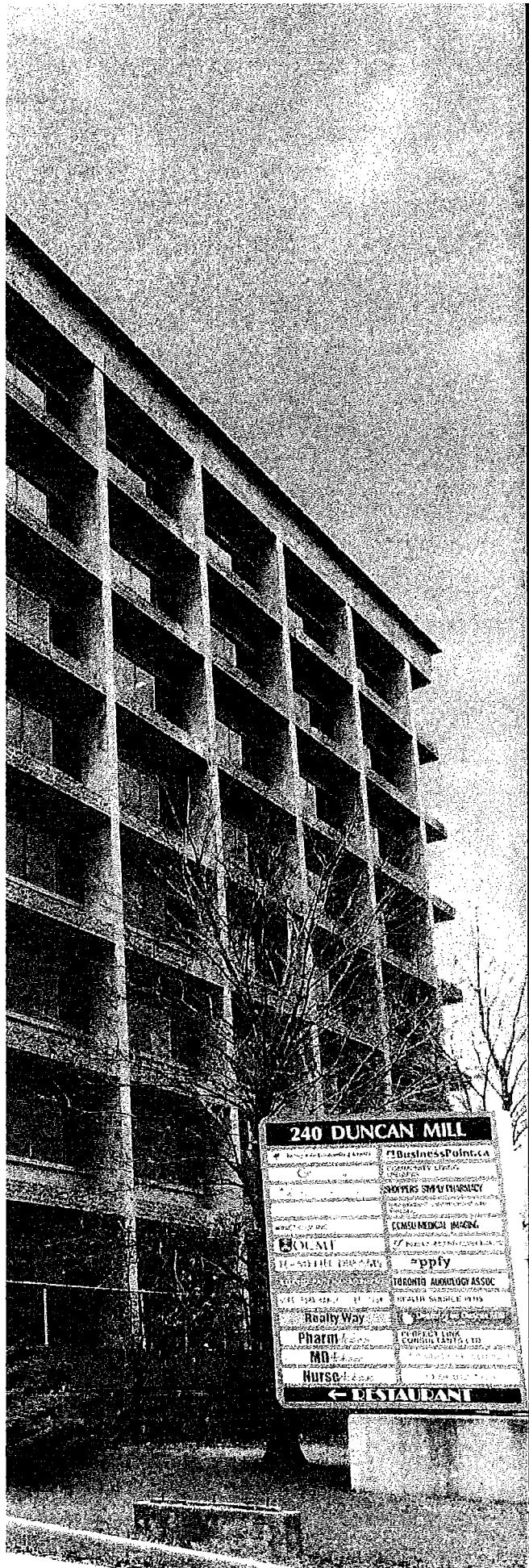


EXECUTIVE SUMMARY

Cushman & Wakefield ULC (the "Advisor") has been exclusively retained by Crowe Soberman Inc. (the "Proposal Trustee") to coordinate the sale of the property municipally known as 240 Duncan Mill Road (the "Property"). 240 Duncan Mill Road presents a rare opportunity to acquire a large medical office building situated in the highly sought after North Toronto region. The Property is 195,000 SF office building, with a net rentable area of 174,000 SF, on 2.87 acres of land.

The Property presents an exceptional opportunity acquire an asset with unparalleled value-add potential due to:

- Opportunity to purchase office building well below replacement cost
- 44% vacancy allows for immediate lease up
- 97% of current office leases in place end on or before 2022
- Ongoing transit investment including the completion of the Eglinton Crosstown LRT
- Surplus land allows for potential redevelopment opportunities
- In-place rents are significantly below market



PROPERTY OVERVIEW

Address 240 Duncan Mill Road

Ownership Freehold

Lot Size 2.87 Acres

Zoning EO 1.5 (E1.5;O1.0)

Storeys 8

Rentable Area 184,236 sq. ft.

Floor Plate 21,888 sq. ft.

Year Built 1972

Elevators 4

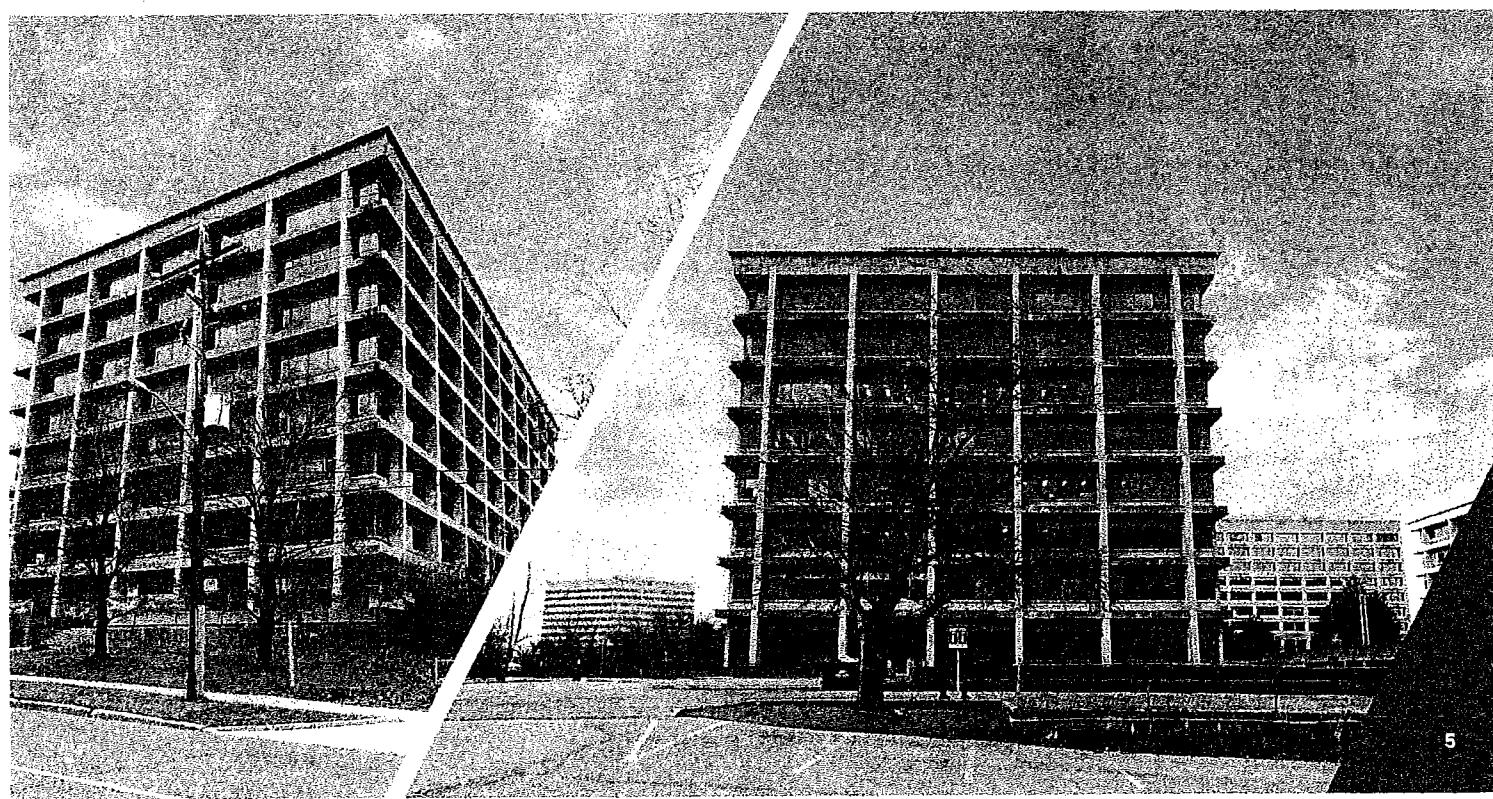
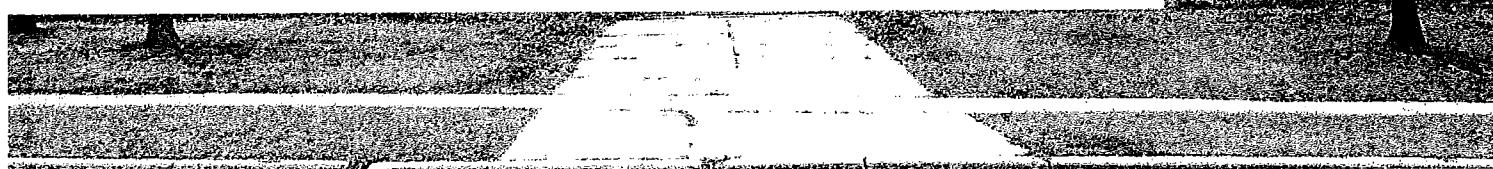
Parking 201 surface spaces & 204 underground spaces

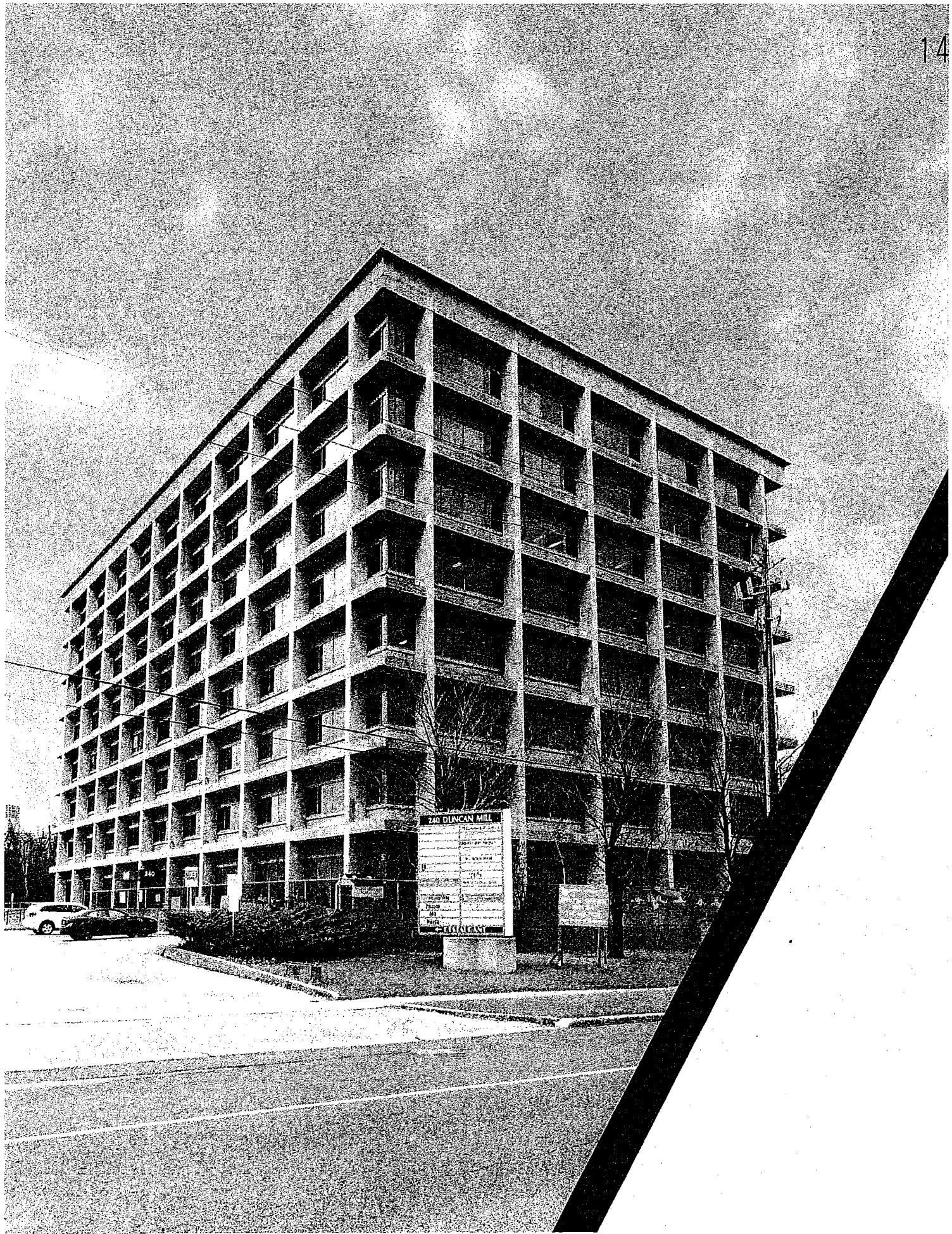
Occupancy 56%

Legal Description T 82-83 PL 7607 NORTH YORK; PT LT 84 PL 7607 NORTH YORK PT 2, RS1284; TORONTO (N YORK) , CITY OF TORONTO THAT PART OF LOT 84 ON PLAN 7607NY DESIGNATED AS PART 5 ON PLAN 66R- 15872, TOGETHER WITH A RIGHT OF WAY OVER PART OF METROPOLITAN TORONTO CONDOMINIUM PLAN NO. 918 FORMERLY PARTS 2 AND 6 ON PLAN 66R-15872, SUBJECT TO A RIGHT OF WAY IN FAVOUR OF THE OWNER

PIN 100880069

Realty Taxes \$517,274 (2017)





INVESTMENT HIGHLIGHTS

Value-Add Opportunity

As value-add real estate in one of North America's tightest office markets becomes more and more difficult to acquire, 240 Duncan Mill is uniquely positioned to provide a purchaser with significant upside. Approximately 87% of current leases terminate before 2022, with limited renewal options, allowing a purchaser to unlock value through renewal and releasing at market rates in the near term.

Long Term Development Potential

In the long term, the Property presents 2.87 acres of prime land surrounded by ravines and forest areas in quickly gentrifying node, supported by the rapidly appreciating land values in the City of Toronto. The defensive investment characteristics, including the Property's close proximity to several major arterial roads, and strong surrounding consumer and employee base, has allowed many of the surrounding property's in the area to be rezoned and developed into high-rise condominiums or flex office spaces.

Established and Growing Office Market

There is limited opportunity to own commercial assets within the GTA core and Toronto region. Increased net rental rates, mixed with a shrinking availability rate in the Duncan Mill submarket reveals the region has not yet experienced the peak of the market. With the future addition of the Eglinton Crosstown LRT and potential construction of the proposed Don Mills LRT, the Property is well positioned for value-add investors, seeking to capitalize on the increased accessibility of the node.

Single-tenant and Multi-tenant Flexibility

Given the current vacancy level, 240 Duncan Mill presents an opportunity to secure a long term tenant through lease-up, in a moderately maintained building within a diverse real estate submarket. The large floor plates and strategic configuration of the building allow for versatility, with the interiors easily combined to accommodate a single-tenant occupation or remain fitted for multi-tenant environment.

MARKET OVERVIEW

Situated within Toronto's North York region, the Duncan Mill submarket, is a desirable suburban neighborhood home to multinational companies and local businesses alike. Duncan Mill is surrounded by the affluent residential community of Don Mills, creating a strong consumer and employee base. Duncan Mill is surrounded by amenities that include hospitality services, retail centres and a variety of other notable attractions

The Property benefits from its close connectivity to public transit and its ease of access to numerous major arterial roads. The Don Valley Parkway and Highway 404, main north-south arterials connecting with Toronto's downtown core, run directly through the Duncan Mill submarket and provide close connections with Highway 401 to the north.

Nearby public transit allows the Duncan Mill submarket to be accessed by Toronto's robust labour pool, with the York Mills subway line located west of the subject Property and a station nearby at Don Mills Road and Sheppard Avenue East. The station has connections

to the local TTC buses which conveniently service the surrounding residential and mixed-commercial area. The planned Eglinton LRT extension to the south will contribute to the increased accessibility and desirability of the neighborhood from an employment and recreational perspective.

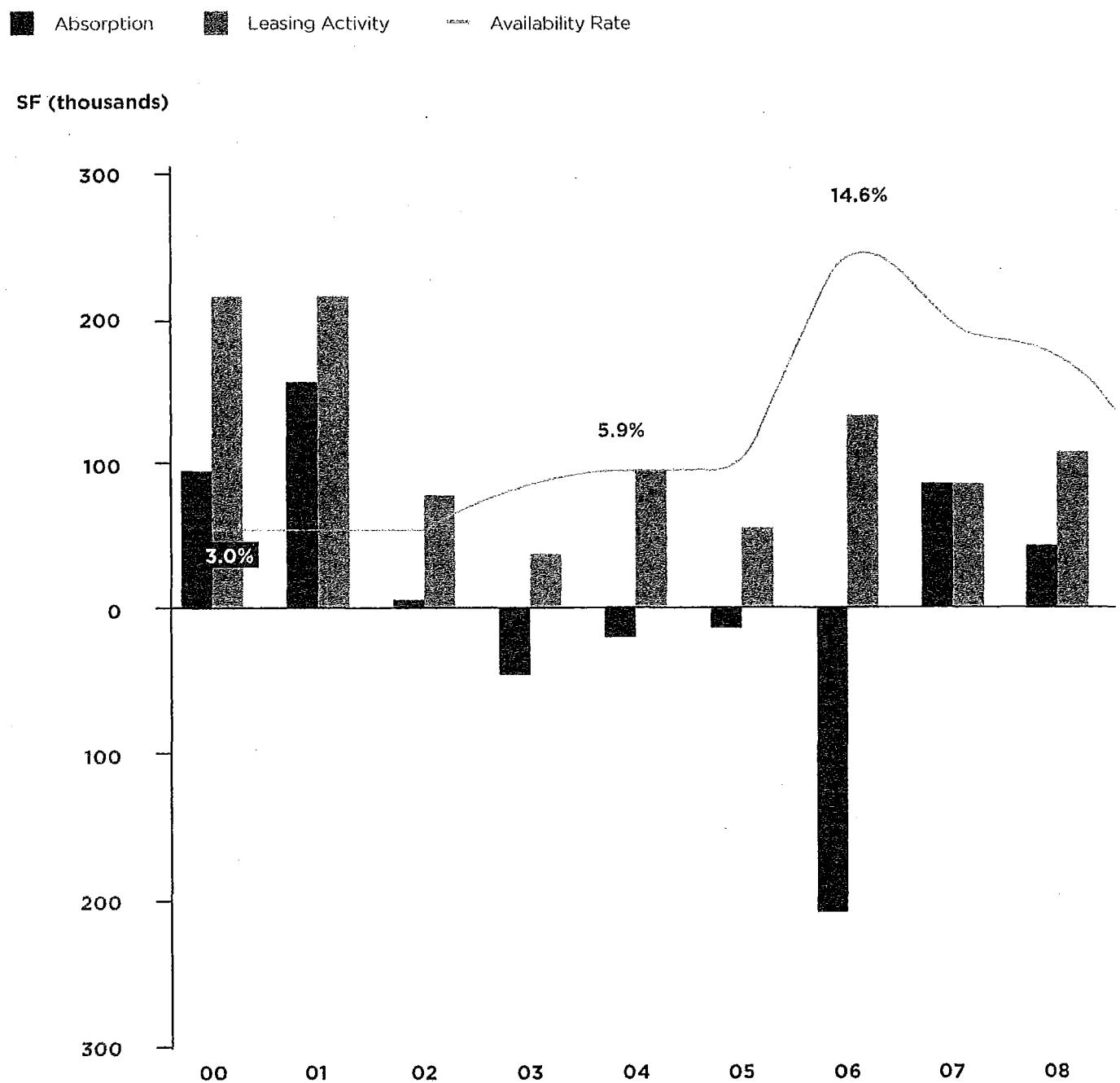
Leasing demand in the area for all classes remains strong as the Duncan Mill market had a vacancy rate of 8.9%. A strong local user base has caused rents to increase in all asset classes over the past decade. Duncan Mills provides a unique location at the intersection between downtown core and suburban markets, which will keep the sub-market's fundamental remain strong.

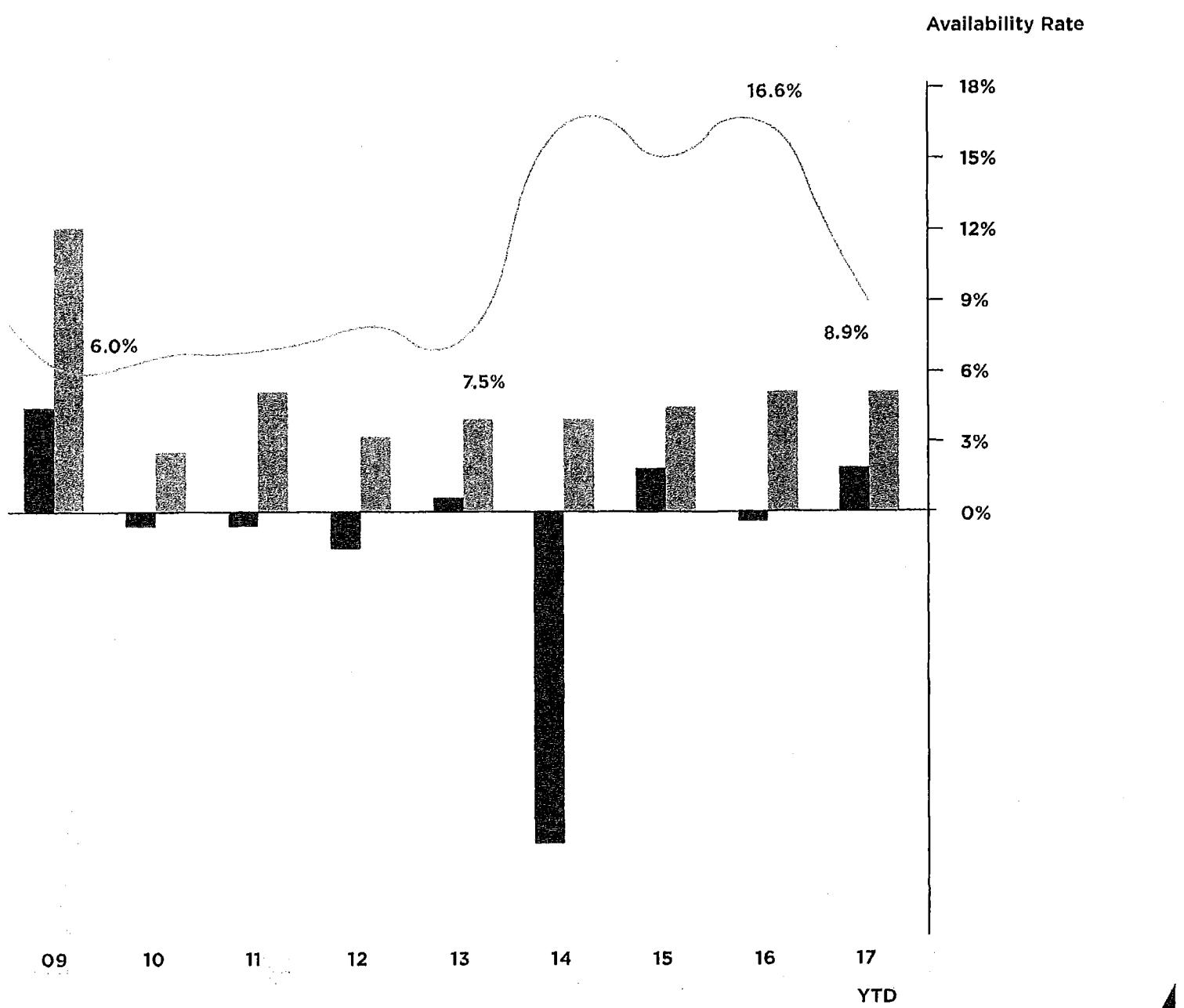
Purchaser's of 240 Duncan Mill Road could see immediate upside through a strategic improvement program to common area elements such as hallways and washrooms, providing a higher quality and consistency throughout the building. In terms of leasing activity, the hiring of a listing broker and push toward a more robust model suite program will achieve quicker lease up of vacancies and boost NOI.





DUNCAN MILL SUBMARKET HISTORY ABSORPTION VS. LEASING AND AVAILABILITY (ALL CLASSES, Q3 2017)

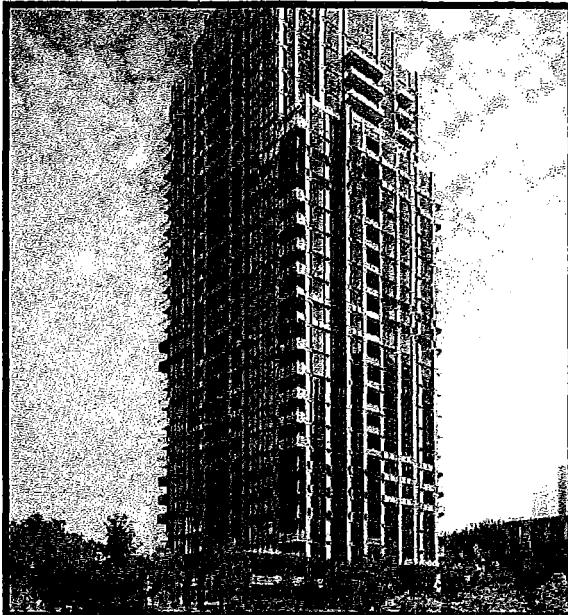




AREA DEVELOPMENT

ARGENTO CONDOS

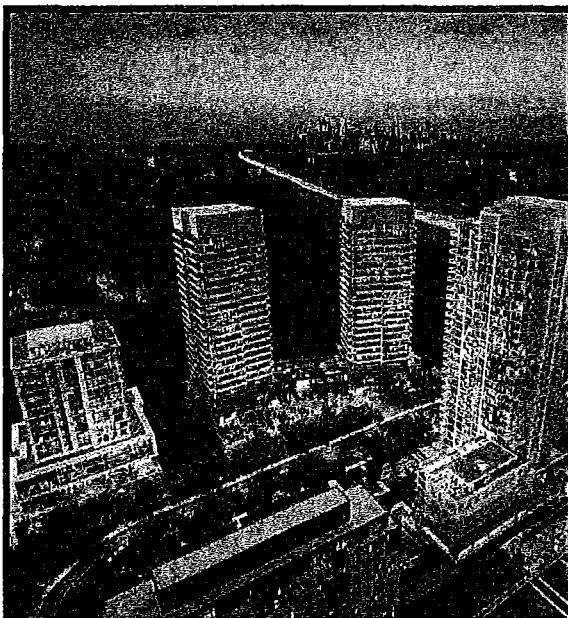
18 Graydon Hall Drive



- Completed
- 24 Storey, 275 unit condominium by Tridel
- Sold out pre-construction

THE RAVINE

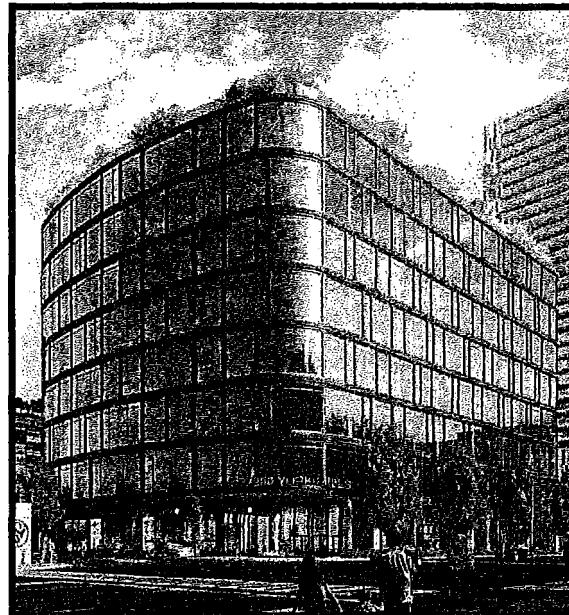
1215 York Mills Road



- Construction Phase
- 336 units, July 2019 Complete
- Urban Capital 7 Alt Development

WESTIN PRINCE HOTEL

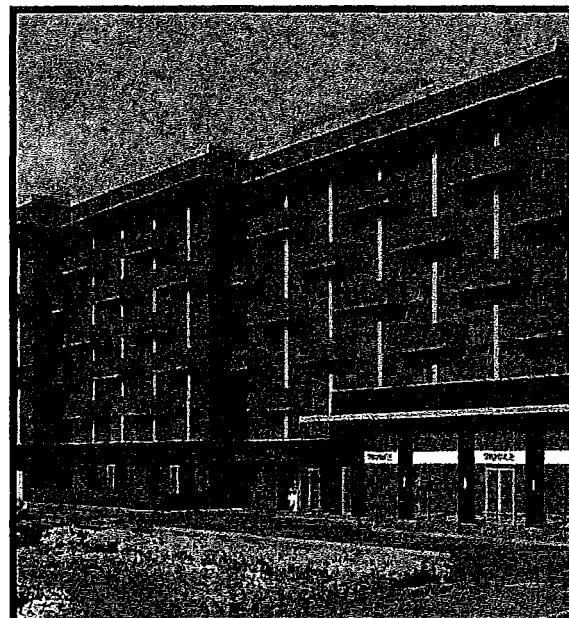
900 York Mills Road



- Proposed
- Redevelopment of the Westin Prince Hotel
- New 10-storey hotel wing, a new ballroom and conference centre

TOWNHOUSE DEVELOPMENT

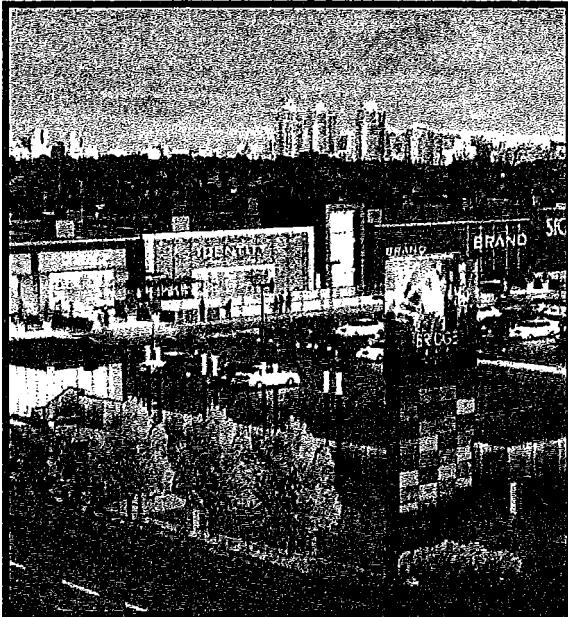
71 CURLEW DRIVE



- Proposed
- 240 units across 6 four-storey blocks

DON PARK SITE

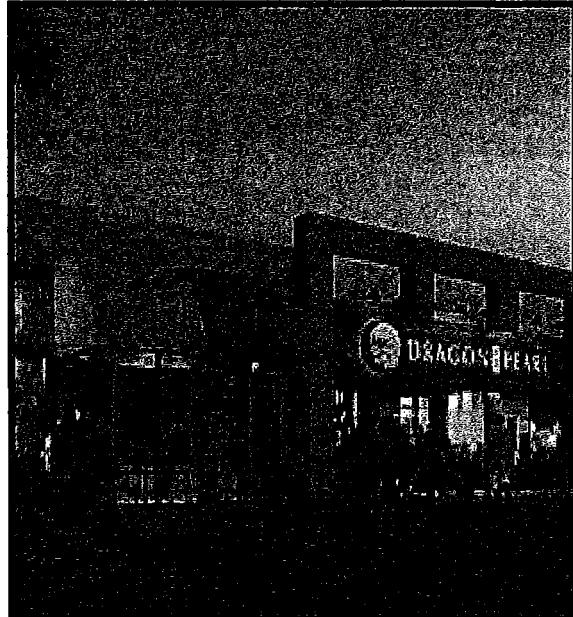
840-842 YORK MILLS ROAD



- Construction Phase
- 14.060 acres
- Industrial conversion to 320,000 SF retail plaza

LIBERTY RETAIL DEVELOPMENT

865 York Mills Road



- Completed
- 8.45 acres
- Industrial Conversion to 160,000 SF retail plaza

RODEO DRIVE CONDOS

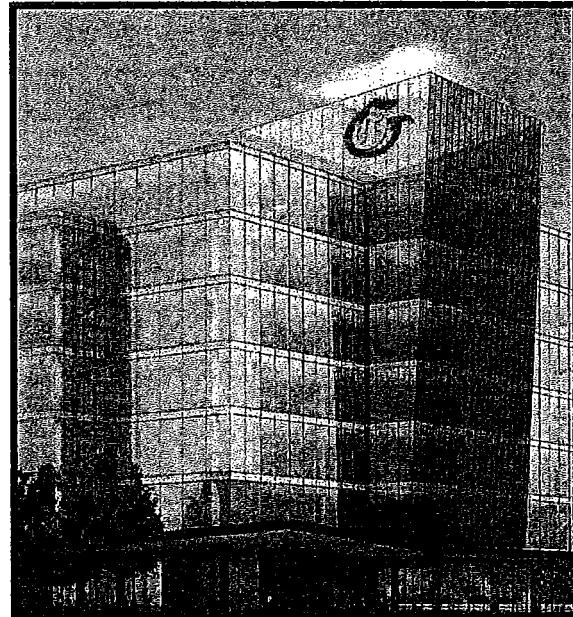
160 THE DONWAY



- Phase 1 & 2 - Construction Phase
- Lanterra and Cadillac Fairview
- 395 units and 198 units

YONGE PARK PLAZA

4050 YONGE STREET



- Pre-construction
- 367,000 SF LEED Gold office





MARKET REDEVELOPMENT

BOND PARK

One of the best kept secrets in North York, a multiuse park in that has facilities for both casual and serious baseball players and tennis players alike. This 6.8 hectare park features five ball diamonds, a club house and six hardcourts for tennis.

SHOPS AT DON MILLS

The Shops at Don Mills is a lifestyle-focused shopping centre located at Don Mills Road and Lawrence Avenue East, comprising of 72 retail stores with a total floor space of 511,824 square feet. The layout is similar to a regular neighborhood retail strip. Storefronts face a network of private internal streets and is centered on a square which includes information historical plaques and commissioned art by Douglas Coupland. Anchors include McEwan's Gourmet Market, Anthropologie, Joey's Restaurant and other shops and restaurants.

BETTY SUTHERLAND TRAIL PARK

Betty Sutherland Trail is a 4 kilometer moderately trafficked out and back trail that features beautiful wild flowers and is good for all skill levels. The trail offers a number of activity options and is accessible year-round. Dogs are also able to use this trail. The Betty Sutherland Trail follows the meanders of the East Don River from Duncan Mill Road to Sheppard Avenue.

AGA KHAN MUSEUM

The Aga Khan Museum offers visitors insight into the artistic, intellectual and scientific heritage of Museum civilizations across the centuries from the Iberian Peninsula to China. It encourages a wide range for public engagement with its diverse Permanent Collection of more than 1,000 objects and roster of exhibitions, including music and dance performances, theatre, lectures, workshops and film screenings. The building's compact footprint - 81 metres long and 54 metres wide - contains a variety of spaces, including two exhibition galleries, areas for art conservation and storage, a 350 seat theatre and two classrooms.

CONNECTIVITY

Located within a well-established commercial/residential node, the Property benefits from strong surrounding amenities and public transportation connections. York Mills Subway Station is situated a short distance to the West and a TTC bus stop is positioned directly in front of the Property on Duncan Mill Road.

The proposed Eglinton and Sheppard LRT lines to the north and south will further increase the accessibility to the neighborhood, adding to the demand for quality assets within the Duncan Mill submarket of Toronto. The Sheppard line will provide an additional 26 stops (Phase 1) and the Eglinton line will provide an additional 27 stops (Phase 1), offering high-speed connectivity between the region and Central Toronto.

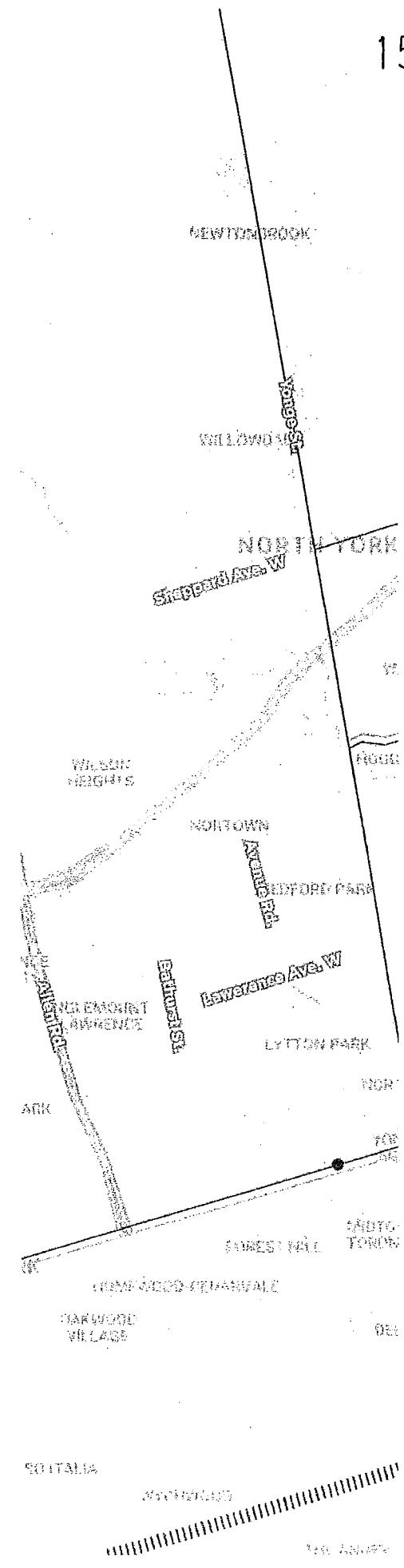
The Property sits roughly 500 metres south of Highway 401 Leslie Street and 2 kilometers west of Don Valley Parkway providing quick and easy access through arterial routes to the Downtown Core.

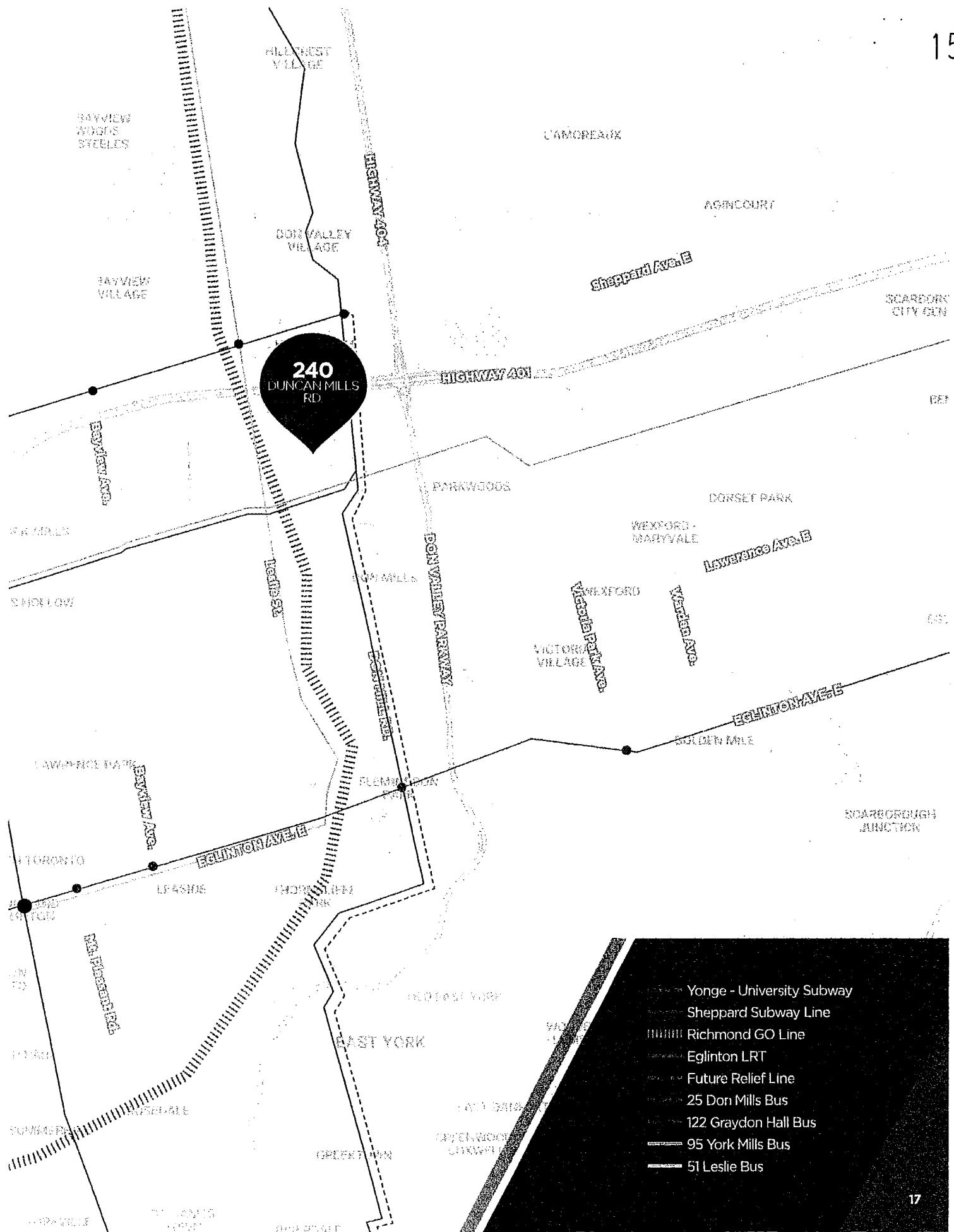
DRIVE TIMES

 Oriole GO Station 5 minutes	 Shops at Don Mills 5 minutes
 Fairview Shopping Centre 6 minutes	 York Mills Station 6 minutes
 Don Mills Station 3 minutes	 Highway 401 3 minutes

DEMOGRAPHICS (within 4km)

 Population 116,700	 Median Age 41
 Total Households 45,800	 Avg. Household Income \$97,200
 Avg. Household Size 2.54	





ZONING

The Property is currently designated under the provisions of the City of Toronto's Zoning Bylaw 569 - 2013. Under the provisions of this text, the Property is currently designated as Employment Industrial Office Zone (EO). Under the current EO classification, a maximum permitted density of 1.5 times the lot area is permitted which the Property achieves.

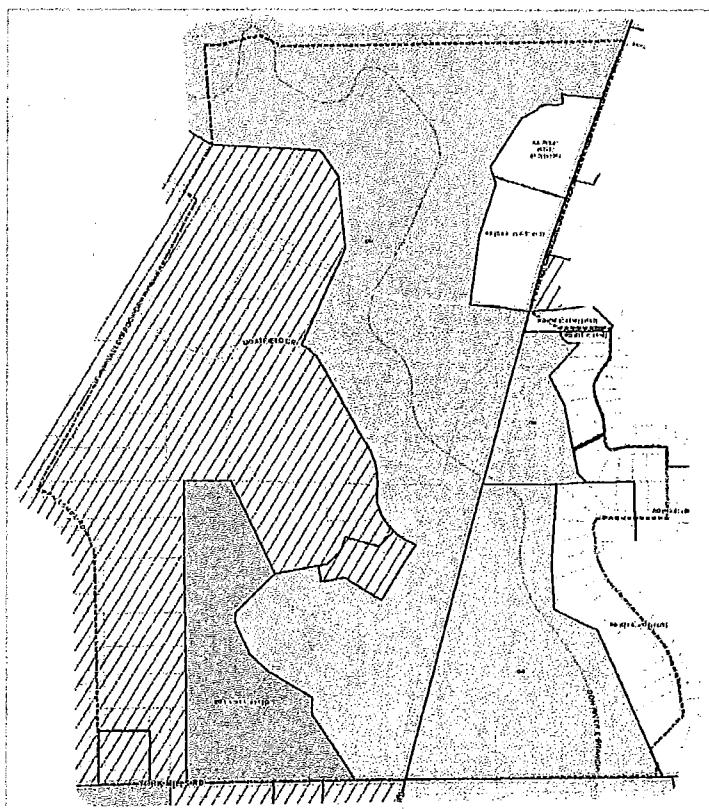
(A) the following uses are permitted under the letter "e" in the zone label referred to in regulation 60.40.1.10(3)(A)(i):

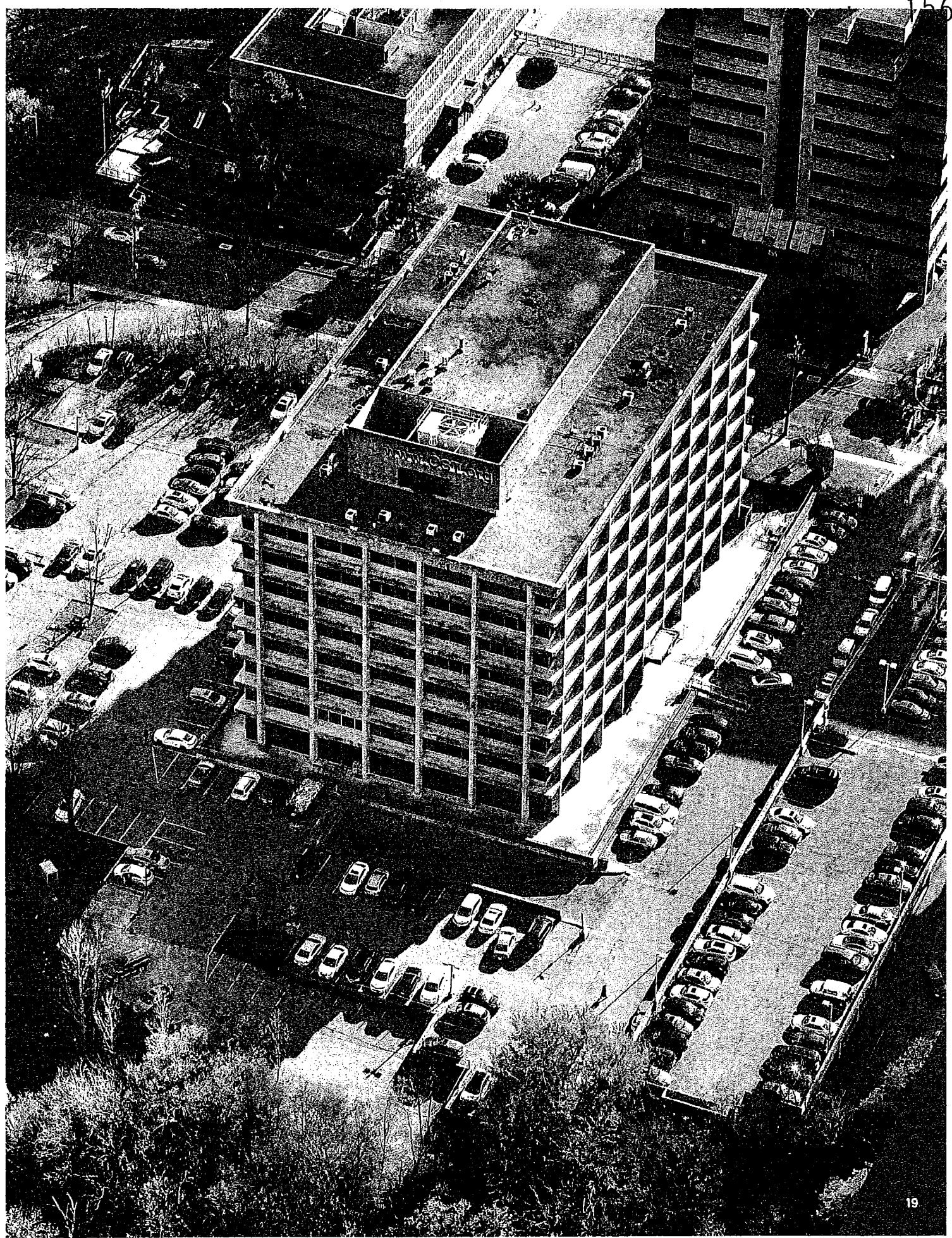
- Ambulance Depot
- Animal Shelter
- Artist Studio
- Bindery
- Carpenter's Shop
- Cold Storage
- Custom Workshop
- Dry Cleaning or Laundry Plant
- Fire Hall
- Industrial Sales and Service Use
- Laboratory
- Police Station
- Printing Establishment
- Production Studio
- Self-storage Warehouse
- Service Shop
- Veterinary Hospital
- Warehouse
- Wholesaling Use

(B) the following uses are permitted under the letter "o" in the zone label referred to in regulation 60.40.1.10(3)

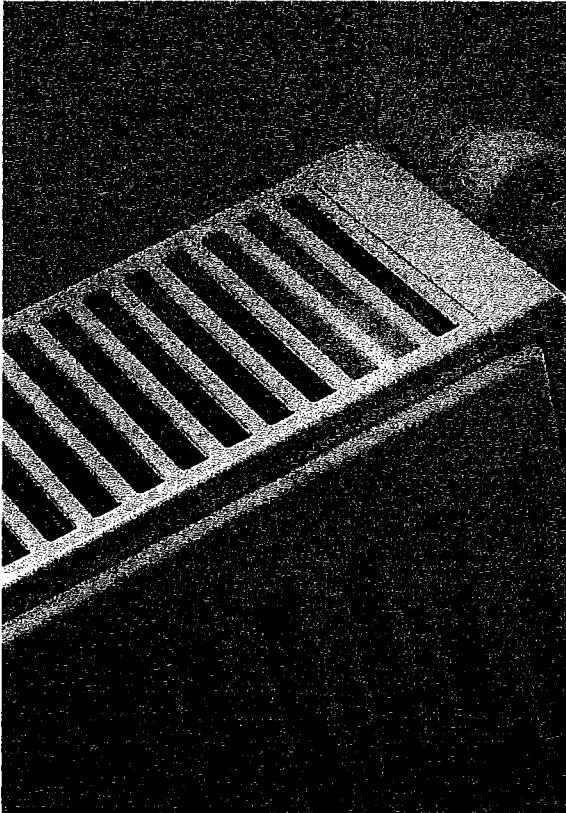
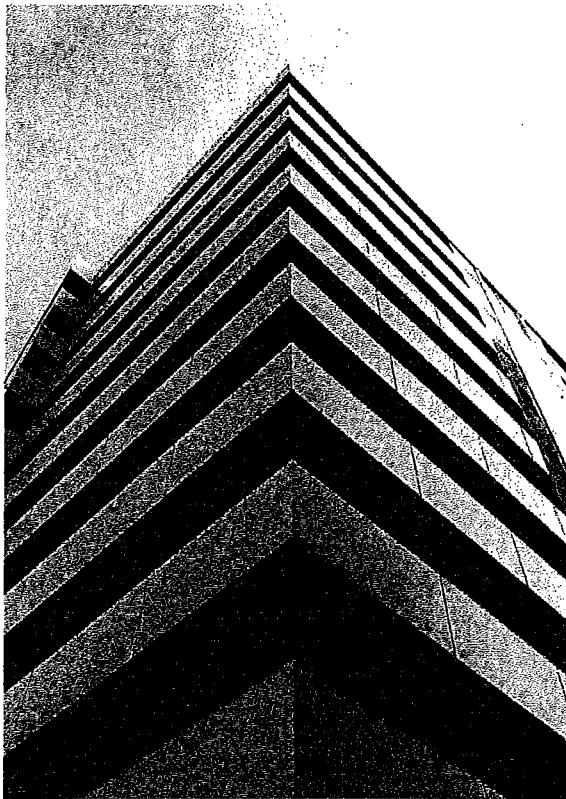
(A)(ii):

- Art Gallery
- Automated Banking Machine
- Club
- Community Centre
- Education Use
- Financial Institution
- Library
- Massage Therapy
- Medical Office
- Museum
- Office
- Park
- Passenger Terminal
- Performing Arts Studio
- Software Development and Processing
- Wellness Centre





BUILDING OVERVIEW



STRUCTURAL AND BUILDING ENVELOPE

Basic Construction

- 8 storey, cast-in-place slab on grade
- Single level underground parking garage concrete slab on grade

Exterior Walls

- Precast concrete panels with exposed cast-in-place concrete structural elements and fixed single glazed (SG) units within prefinished aluminum frames.

Roof Construction

- One primary flat roof on the building constructed using a Built-Up Asphalt Roof (BUR) and was retrofitted in 2015/2016 with a Modified Bitumen membrane.

Passenger Elevator

- Four overhead traction driven passenger elevators, all are original from construction in 1972, manufactured by OTIS with full maintenance contract by Trident Elevator Co. Ltd.

HEATING & COOLING SYSTEM

Primary System

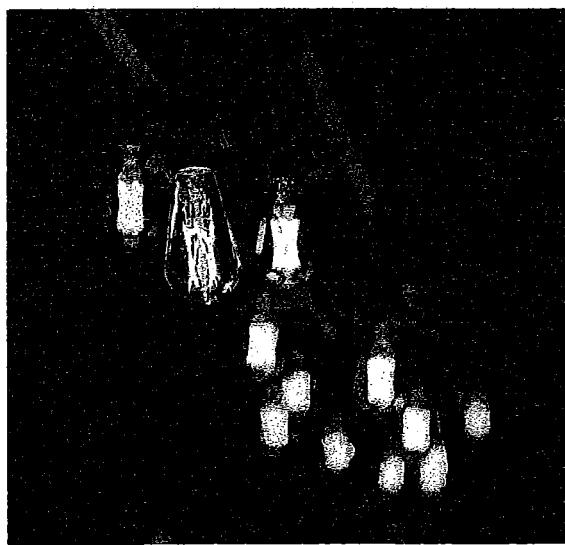
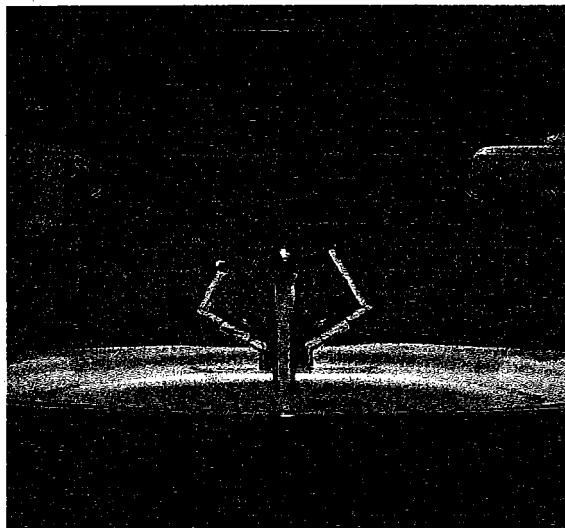
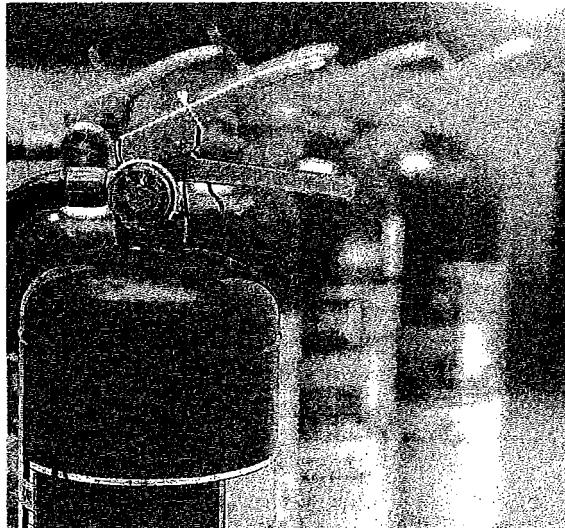
- The heating is provided by a closed circuit hydronic heating loop generated by natural gas-fired boiler plant supplying heating coils in perimeter induction, air handling units and unit heaters. Central Boiler plant consist of two Teledyne Laars natural gas fired heating boilers located in the penthouse.
- The cooling is provided by a closed circuit hydronic closed cooling loop generated by a central cooling plant of Daikin chiller located in the mechanical penthouse. Additional cooling is provided by 23 air-conditioning units located in the ceiling spaces complete with rooftop mounted split condenser units.

Mechanical Ventilation

- Heating, cooling and ventilation is delivered by five central built-up Trane air handling units located in the mechanical penthouse, which supply approximately 480 perimeter induction units.

HVAC

- HVAC Systems are controlled by a building intelligence system from a desktop in the building operator's office.



FIRE & LIFE SAFETY

Sprinkler

- The building is serviced by an automatic wet sprinkler system driven by a Leitch electric motor fire pump located in the sprinkler room. Fire protection within the basement level cafeteria is provided by a wet chemical suppression system installed above the cooking equipment.

Fire Alarm

- The Fire Alarm system consists of a Notifier single-stage multi-zone fire alarm control panel located in the basement level. Initiating devices consist of supervised flow valves, sensors and switch, and manual pull stations.

Life Safety

- Exit signage and emergency lighting is provided by wall and ceiling mounted battery power and hard-wired units located in strategic locations.

PLUMBING

Water Supply

- The main water service line enters the building through the basement level sprinkler room

Hot Water

- The domestic hot water is provided by a Lochnivar natural gas-fire hot water boiler located in the mechanical penthouse. The unit was manufactured in 1995 and possesses a storage capacity of approximately 178 liters.

ELECTRICAL SYSTEM

Electrical Service

- Electrical power is supplied to the building via conduits from a locked municipal transformer vault. Electrical power is fed with 3 Phase-4 Wire supply to a Canadian General electrical switchgear unit. The unit is rated for 4,500 Amperes main bus capacity and 347/600 Volts of voltage tension.

Emergency Electrical Power

- Emergency electrical is provided by a Leroy Somer diesel back-up generator located in the parking garage generator room. The generator is rated 500 kW and was manufactured in 1990 with 140 recorded on the Hobbs meter.

RENT ROLL

Tenant Name	Unit	Leased Area (sq.ft)	**Deemed Area (sq.ft)	Share	Base Rent		Recoveries (TMI)	
					PSF	Annual	PSF	Annual
North York Family Health Team - Office	301	1,811	1,631	0.92%	\$11.67	\$19,034	\$14.25	\$23,242
North York Family Health Team - Expansion	307	944	-	0.48%	\$11.67	\$11,016	\$14.25	\$13,452
North York Family Health Team - Clinic	7th Floor	23,380	21,219	11.94%	\$11.67	\$247,626	\$14.25	\$302,371
North York Family Physicians	102	1,675	1,500	0.86%	\$18.00	\$27,000	\$13.25	\$19,875
Mackenzie College	600	9,547	-	4.87%	\$6.00	\$57,282	\$13.25	\$126,498
PharmAchieve	501	4,500	-	2.30%	G	\$4,667	-	-
PharmAchieve Expansion	501	1,548	-	0.79%	G	\$1,533	-	-
Willowbrae Academy	100	10,488	-	5.36%	\$12.00	\$125,852	\$13.25	\$138,961
Allevio Clinic	101	6,255	-	3.19%	\$10.50	\$65,678	\$13.25	\$82,879
Allevio Clinic Expansion	103	2,445	2,445	1.25%	\$10.50	\$25,674	\$13.25	\$32,399
Granite Bistro - Café	B100	3,753	-	1.92%	G	\$37,528	-	-
Granite Bistro - Storage		196	-	0.10%	G	\$1,171	-	-
Apollo Contract Research	201	4,935	3,550	2.52%	\$6.00	\$21,300	\$13.25	\$65,387
Apollo Contract Research - Boardroom	200B	430	-	0.22%	G	\$10,620	-	-
Apollo Contract Research - Storage	SB7	94	-	0.05%	G	\$1,440	-	-
Apollo Contract Research - Signage	Lobby		-	0.00%	G	\$2,400	-	-
Dr. A Radulescu, Dentist	300	2,559	1,820	1.31%	\$8.00	\$14,560	\$13.25	\$33,913
Visrox Smart Solutions	303	4,575	2,000	2.34%	G	\$36,000	-	-
DMC Law	401	1,972	1,500	1.01%	\$8.75	\$13,125	\$13.25	\$19,875
DMC Law - Expansion 1	401	1,039	500	0.53%	\$5.00	\$2,500	\$13.25	\$6,625
DMC Law - Expansion 2	401 [400]	1,762	1,500	0.90%	\$5.00	\$7,500	\$13.25	\$19,875
Better Life Counselling	404	1,097	900	0.56%	\$8.00	\$7,200	\$13.25	\$11,925
Neuronic Works	405	4,065	4,065	2.08%	\$7.50	\$30,488	\$13.25	\$53,861
Neuronic Works Expansion from 405	407 [405]	3,504	3,503	1.79%	\$7.50	\$26,273	\$13.25	\$46,415
Canadian Sci-Tech College	408	2,697	-	1.38%	\$7.50	\$20,229	\$13.25	\$35,738
Holtz100 Canada Inc.	500	1,126	-	0.57%	\$6.00	\$6,756	\$13.25	\$14,920
Laureate College	510	2,586	-	1.32%	\$6.00	\$15,518	\$13.25	\$34,269
C. Lipinski Audiology	803	1,071	1,000	0.55%	\$13.00	\$13,000	\$13.25	\$13,250
CCMSU Imaging	804	3,826	-	1.95%	\$9.50	\$36,350	\$13.25	\$50,698
DaVinci Capital Partners	806	5,326	2,773	2.72%	\$10.00	\$27,730	\$13.25	\$36,742
				56%				
Non-Tenant Parking								
**Deemed Area is agreed upon area in Lease								
Totals		83,073.13				639,372.36		844,103.97
Total NET (Base Rent + Parking)						1,144,452.36		
Total Building Square Foot (Ext. Measures-incl)		195,840.36						
Total Building Vacancy			44%					

Parking Spaces	Monthly	Gross Total	Term of Lease			Tenant Since
			Start Date	End Date	Extension	
	\$8,640	\$50,916	01-Sep-07	Oct-18	1 X 5	2007
		\$24,468	01-Oct-17	31-Oct-19		2007
		\$549,996	01-Sep-07	31-Oct-19		2007
152 SPK & 25 UPK	\$168,900	\$215,775	01-May-10	31-Oct-19		2010
TBD	\$13,200	\$196,980	01-Nov-17	31-Dec-23		2017
6 SPK	\$1,980	\$6,647	01-Aug-16	31-Jul-21	1 X 5	2016
		\$1,533	01-Apr-17	31-Jul-21		2016
4 SPK & 4 UPK	\$7,200	\$272,013	01-May-14	30-Jun-24	2 X 5	2014
5 SPK	\$6,120	\$154,676	01-May-12	30-Apr-22	2 X 5	2012
		\$58,073	01-Dec-17	30-Apr-22		2012
2 UPK	\$720	\$38,248	15-Feb-13	14-Feb-23	1 X 5	2013
		\$1,171	month-to-month			2013
	\$7,560	\$94,247	01-Oct-15	30-Sep-20	1 X 5	2014
		\$10,620	month-to-month			2014
		\$1,440	month-to-month			2014
		\$2,400	month-to-month			2014
2 SPK & 2 UPK		\$48,473	01-May-11	29-Apr-21	2 X 5	2011
SPK & 25 UPK		\$36,000	01-Mar-16	28-Feb-19	1 X 5	2016
NA	\$4,500	\$37,500	01-Feb-12	29-Feb-20	1 X 5	2012
		\$9,125	01-Feb-12	29-Feb-20		2012
		\$27,375	01-Feb-12	29-Feb-20		2012
1 SPK	\$960	\$20,085	01-Apr-13	31-Mar-18	1 X 5	2013
3 UPK	\$24,480	\$108,829	01-Sep-15	31-Aug-20	1 X 5	2013
2 SPK & 2 UPK		\$72,687	01-Dec-17	31-Aug-20		2013
3 SPK & 1 UPK	\$4,080	\$60,047	01-Nov-17	31-Oct-19		2016
TBD	\$3,600	\$25,276	01-Oct-17	30-Nov-19		2017
5 UPK	\$5,400	\$55,188	01-Nov-17	31-Jul-19		2014
NA	\$840	\$27,090	01-Dec-09	30-Nov-19	1 X 5	2008
12 SPK & 2 UPK	\$3,000	\$90,048	01-Dec-18	30-Nov-28	1 X 5	2008
6 UPK		\$64,472	01-Feb-12	31-Jan-18	1 X 5	2012
	\$252,540				348,3146067	
		\$149,260				
		\$505,080	\$1,885,276			

TENANT OVERVIEW



Willowbrae provides an enriched educational curriculum taking advantage of leading edge technology, setting a new standards for security, communication, and operations. Willowbrae has been providing early childhood education since 2009. With seven locations across Ontario, Alberta and British Columbia Willowbrae is one of the largest child care providers in Canada.



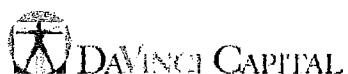
The Allevio is a locally owned and operated clinic that treats chronic pain conditions by combining different approaches to managing pain in a safe and effective way. All of Alevio's physicians are Royal College Anesthesiologists who practice in a wide variety of pain conditions. Allevio is consistently ranked among Toronto's top rated pain management clinics in client satisfaction.



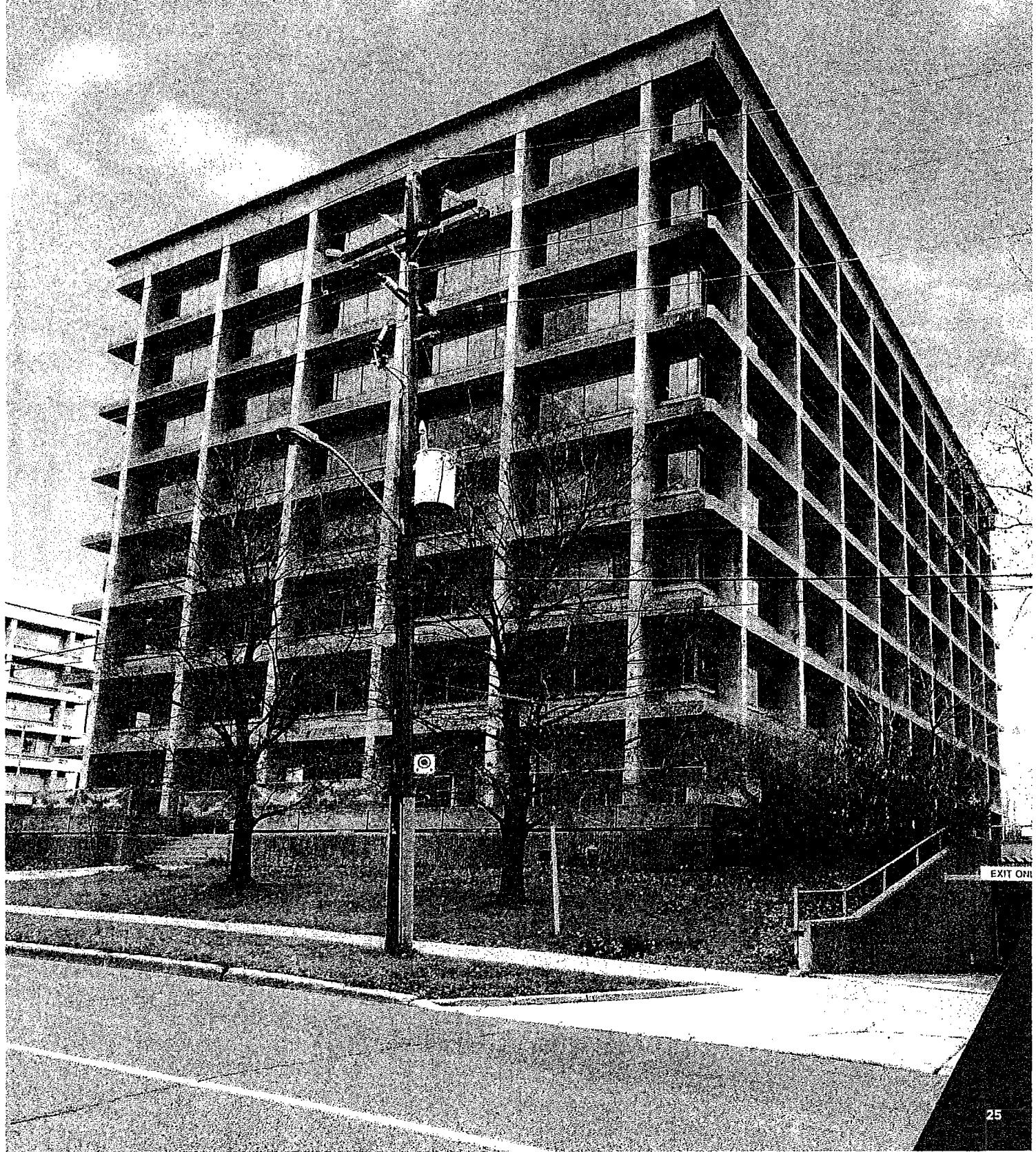
PharmAchieve is the largest provider of prep courses for the Pharmacy Examining Board of Canada exams in the Country. PharmAchieve trains more than 700 pharmacy graduates each year for the PEBC exams in courses in Toronto, Calgary, Edmonton, Montreal, Vancouver and online. More than 3,500 candidates have been trained at PharmAchieve, more than any other organization. PharmAchieve is a Government of Canada Certified Educational Institution.



North York Family Health Team is locally owned clinic, composed of a multidisciplinary team of Registered Nurses, Social Workers, Registered Dietitians, Nurse Practitioners and Pharmacists and over 70 Family Physicians. There are approximately 69,000 patients with the FHT Family Physicians.

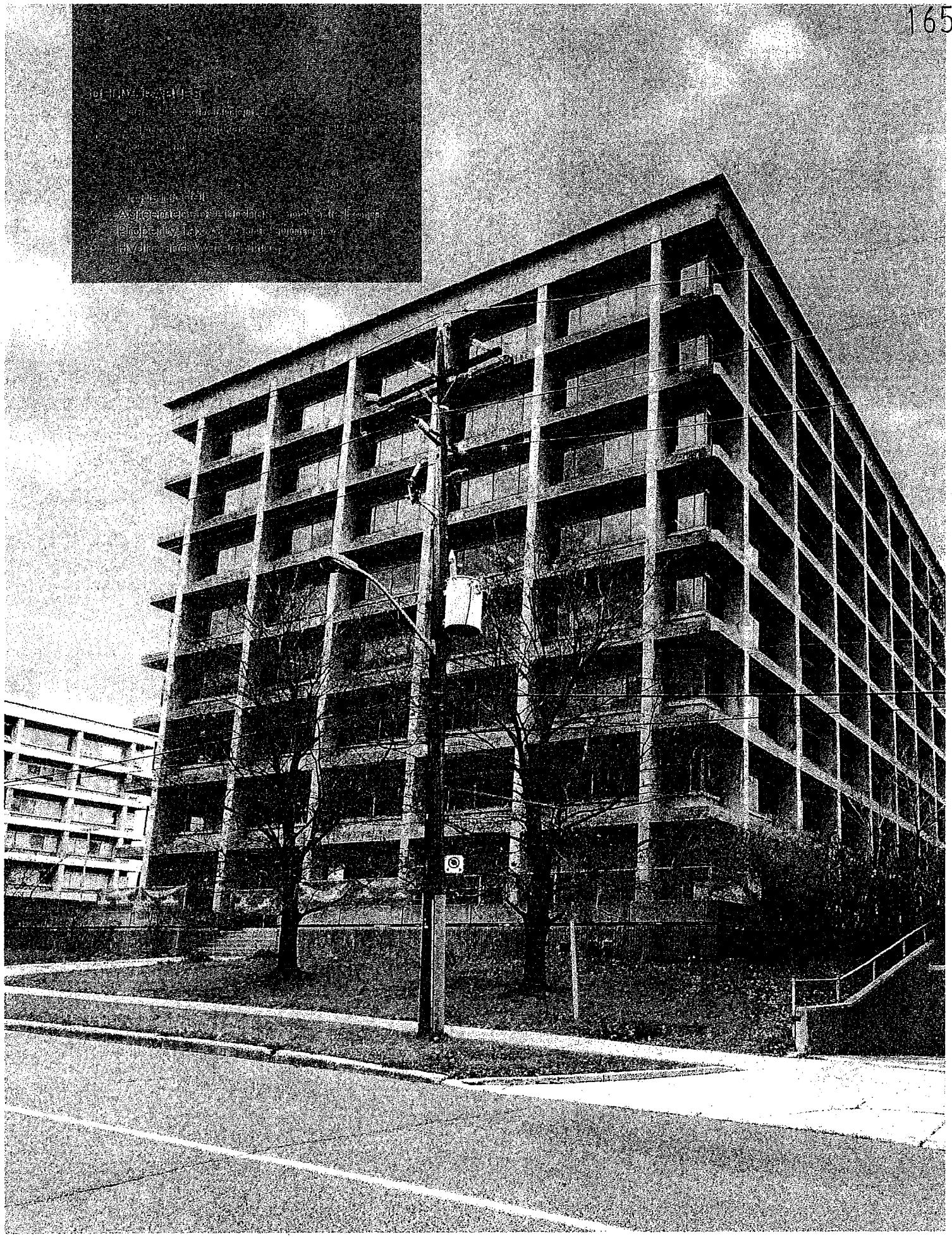


DaVinci Capital Partners is a local wealth management focused on highly specialized investments including private debt and equity, mortgages, real estate and sophisticated hedging strategies.



CASH FLOW

	Year 1 April 2019	Year 2 April 2020	Year 3 April 2021	Year 4 April 2022	Year 5 April 2023	Year 6 April 2024
Rental Revenue						
Potential Base Rent	\$2,261,221	\$2,326,363	\$2,425,767	\$2,537,144	\$2,706,024	\$2,885,771
Absorption & Turnover Vacancy	-\$1,428,771	-\$1,123,483	-\$717,327	-\$260,010	-\$76,549	-\$90,821
Scheduled Base Rent	\$832,450	\$1,202,880	\$1,708,440	\$2,277,133	\$2,629,475	\$2,794,950
Total Rental Revenue	\$832,450	\$1,202,880	\$1,708,440	\$2,277,133	\$2,629,475	\$2,794,950
Other Tenant Revenue						
Total Expense Recoveries	\$1,029,833	\$1,506,637	\$1,950,435	\$2,517,238	\$2,773,061	\$2,871,024
Total Other Tenant Revenue	\$1,029,833	\$1,506,637	\$1,950,435	\$2,517,238	\$2,773,061	\$2,871,024
Total Tenant Revenue	\$1,862,283	\$2,709,517	\$3,658,875	\$4,794,371	\$5,402,536	\$5,665,974
Other Revenue						
Non-Tenant Parking	\$149,160	\$152,143	\$155,186	\$158,290	\$161,456	\$164,685
Tenant Parking	\$269,160	\$274,543	\$280,034	\$285,635	\$291,347	\$297,174
Total Other Revenue	\$418,320	\$426,686	\$435,220	\$443,925	\$452,803	\$461,859
Potential Gross Revenue	\$2,280,603	\$3,136,203	\$4,094,095	\$5,238,296	\$5,855,339	\$6,127,833
Vacancy & Credit Loss						
Vacancy Allowance	\$0	\$0	-\$4,203	-\$289,820	-\$516,640	-\$531,044
Total Vacancy & Credit Loss	\$0	\$0	-\$4,203	-\$289,820	-\$516,640	-\$531,044
Effective Gross Revenue	\$2,280,603	\$3,136,203	\$4,089,892	\$4,948,476	\$5,338,699	\$5,596,789
Operating Expenses						
OPEX	\$2,467,455	\$2,516,804	\$2,567,140	\$2,618,483	\$2,670,852	\$2,724,269
Amortized Capital	\$0	\$235,920	\$235,920	\$235,920	\$235,920	\$235,920
Total Operating Expenses	\$2,467,455	\$2,752,724	\$2,803,060	\$2,854,403	\$2,906,772	\$2,960,189
Net Operating Income	-\$186,852	\$383,480	\$1,286,832	\$2,094,073	\$2,431,926	\$2,636,599
Leasing Costs						
Tenant Improvements	\$280,140	\$574,964	\$628,943	\$474,455	\$259,519	\$302,568
Leasing Commissions	\$175,088	\$303,018	\$335,628	\$245,250	\$154,749	\$218,102
Total Leasing Costs	\$455,228	\$877,982	\$964,570	\$719,706	\$414,267	\$520,669
Total Leasing & Capital Costs	\$455,228	\$877,982	\$964,570	\$719,706	\$414,267	\$520,669
Cash Flow Before Debt Service	-\$642,079	-\$494,502	\$322,261	\$1,374,367	\$2,017,659	\$2,115,930
Debt Service						
Interest						
Senior Debt I/O	\$592,145	\$592,145	\$592,145	\$592,145	\$592,145	\$0
Mezz Debt I/O	\$714,286	\$714,285	\$714,286	\$714,286	\$714,286	\$0
Perm Yr 6	\$0	\$0	\$0	\$0	\$0	\$914,386
Total Interest	\$1,306,431	\$1,306,430	\$1,306,431	\$1,306,431	\$1,306,431	\$914,386
Principal						
Perm Yr 6	\$0	\$0	\$0	\$0	\$0	\$673,516
Total Principal	\$0	\$0	\$0	\$0	\$0	\$673,516
Total Debt Service	\$1,306,431	\$1,306,430	\$1,306,431	\$1,306,431	\$1,306,431	\$1,587,902
Cash Flow After Debt Service	-\$1,948,510	-\$1,800,932	-\$984,170	\$67,936	\$71,228	\$528,028
Unleveraged Annual IRR	9.14%					
Leveraged Annual IRR	12.86%					



OFFERING GUIDELINES

GENERAL GUIDELINES

- The Proposal Trustee requires potential purchases to disclose their financial ability to complete the purchase
- Potential purchasers should submit all offers in terms of Canadian Dollars (CDN)
- Offers are expected to include a specific timeline for due diligence and closing
- Offers to be submitted by 5pm on the bid date
- Include a 100% transfer of the Property, on a as is where is basis
- Treat as free and clear
- All purchasers should submit offers on Agreement of Purchase and Sale form provided by the Proposal Trustee
- Qualified offers will need to be accompanied by a cash deposit of 10% of the consideration in the offer.
- All offers will be forwarded to the Proposal Trustee care of Cushman & Wakefield ULC.

DESCRIPTION OF PROCESS

- Initial Offering Summary November 23rd, 2017
- Distribution of Confidential Information Memorandum December 11th, 2017
- Offer Submission Date January 15th, 2018

COURT ORDERED SALES PROCESS

- Selection of Offer January 19th, 2018
- Execution of Binding Agreement January 31st, 2018
- Court Approval of Binding Agreement and Granting of Vesting Order February 15th, 2018
- Closing February 28th, 2018

CONFIDENTIALITY

By accepting this CIM, prospective purchasers agree to hold and treat this CIM and its contents in the strictest confidence. Prospective purchasers will not, directly or indirectly, disclose or communicate or permit anyone else to disclose or communicate this CIM or any of its contents or any part thereof to any person, firm or entity without the prior written consent of the Proposal Trustee and the Advisor. Prospective purchasers will not use or permit this CIM to be used in any manner detrimental to the interests of the Proposal Trustee and the Advisor or their affiliates or for any other purpose than a proposed purchase of the Property. The recipient of this CIM agrees to provide the Advisor with a list of those persons to whom this CIM or any information contained herein is provided.

DISCLAIMER

The content in this CIM is based upon information furnished by the Proposal Trustee and sources, which the Advisor deems reliable, however neither the Proposal Trustee nor the Advisor assume any responsibility. Prospective purchasers should not construe this information as architectural, legal, environmental or tax advice. Prospective purchasers are urged to complete a full due diligence process, and to engage the appropriate advisors on any matters related to the Property, and make no representations to the contrary. Prospective purchasers acknowledge that neither the Advisor nor the Proposal Trustee makes any representations and/or warranties as to the accuracy or completeness of the data found in this CIM. The prospective purchasers acknowledge that by receipt of this package they have executed the Advisor's Confidentiality Agreement and as such have released the Advisor and the Proposal Trustee from any liability for the use of these materials. Furthermore, prospective purchasers acknowledge that the information has been provided in summary form. The summaries do not propose to constitute legal nor accounting analysis of the provisions of the documents and are not necessarily complete, accurate descriptions of all the information related to an acquisition of the Property. Prospective purchasers are expected to examine all such documents independently and with their own advisors. Photos may have been edited for the purposes of marketing materials.

DUE DILIGENCE ROOM

Upon request, the Advisor shall provide access to an online due diligence room to those prospective purchasers who have executed the Advisor's Confidentiality Agreement. The Due Diligence room shall include documents for the review of prospective purchasers. Relevant information related to the subject property will be included therein for consideration of prospective purchasers.

**CUSHMAN &
WAKEFIELD****Cushman & Wakefield Ltd., Brokerage**

161 Bay Street, Suite 1500
PO Box 602 | Toronto, ON M5J 2S1
Tel: 416 862 0611
Fax: 416 359 2613
www.cushmanwakefield.com

CRAIG SMITH*
Executive Vice President & Sales
Representative
416 359 2471
craig.smith@cushwake.com

Rare Value-Add Opportunity



PROPERTY DETAILS

- **178,000 Rentable SF | 2.87 Acre site area**
- **415 Parking Space: 204 underground spaces & 211 surface spaces**
- **Lease up & repositioning opportunity**
- **Offer Submission Date: January 15th, 2018**

CRAIG SMITH

Executive Vice President

+1 416 359 2360

craig.smith@cushwa.com

FOR SALE

Rare Value-Add Opportunity

240 DUNCAN MILL RD

PROPERTY DETAILS

- 178,000 Rentable SF | 2.87 Acre site area
- **415 Parking Space:** 204 underground spaces & 211 surface spaces
- Lease up & repositioning opportunity
- **Offer Submission Date:** January 15th, 2018

CRAIG SMITH*
Executive Vice President
+1 416 359 2360
craig.smith@cushwake.com

*BROKER
CUSHMAN & WAKEFIELD ULC,
BROKERAGE





APPENDIX

‘P’

Graeme Hamilton

From: Stuart Sylvester <Stuart.Sylvester@cushwake.com>
Sent: February 9, 2018 10:42 AM
To: Craig Smith
Cc: Miranda Spence; Graeme Hamilton
Subject: 240 Duncan Mill Road – Offer Submission Process
Attachments: Wiring Instructions.pdf; APS (148).docx

To All Interested Parties,

We would like to remind all interested parties that the Offer Submission deadline for 240 Duncan Mill Road is 5:00 p.m. (EST) on Thursday, February 15th, 2018. The Offers must be delivered in person or electronically to the Proposal Trustee, Crowe Soberman Inc., at the address set out below, and must be accompanied by a deposit, to be paid as set out below.

On February 20th, 2018, the Proposal Trustee will advise bidders whether they have submitted a Qualified Offer, and will provide those parties who have submitted Qualified Offers with the guidelines and parameters applicable to the auction to take place on February 26th, 2018. The Proposal Trustee will also initiate the repayment of deposits to those parties not invited to participate in the auction. Further details of the Offer Submission requirements are detailed below.

If you have any questions regarding the process, please do not hesitate to reach out to Craig or myself directly.

Thank you again for your interest in the Subject Property.

Qualified Offers Must:

1. Include a ten percent (10%) deposit of the Purchase Price, required on Offer Submission date, to be paid as set out below.
2. Be submitted via the Proposal Trustee's form of Agreement of Purchase and Sale, accessible in the Data Room and attached hereto. Any revisions to the form of Agreement of Purchase and Sale must be identified by way of an attached blackline.
3. Include a verifiable document showing the Purchaser's financial ability to complete the transaction, i.e bank statement, line of credit, prearranged mortgage or a document of similar nature.
4. Provide for consideration that the Proposal Trustee considers commercially reasonable.

Sale Process Critical Dates

- Offer Submission Date: 5:00 p.m. (EST), February 15th, 2018
- Proposal Trustee to advise bidders if they have submitted a Qualified Offer: February 20th, 2018
- Proposal Trustee to advise Qualified Offerors of auction rules: February 20th, 2018
- Auction Date for Qualified Offers: February 26th, 2018
- Execution of Binding Agreement: March 2nd, 2018
- Court Approval of Binding Agreement and Granting of Vesting Order: by March 16th, 2018
- Closing: March 29th, 2018

Payment of Deposits

As set out above, all Qualified Offers must be accompanied by a ten percent (10%) deposit of the Purchase Price (the "Deposit(s)"). Deposits are to be paid to the Proposal Trustee's counsel, Aird & Berlis LLP, in trust, in one of the following ways:

1. By way of wire transfer, using the wire instructions attached hereto as Schedule A.
2. By way of certified cheque, money order, or bank draft made out to "Aird & Berlis LLP, in trust", delivered to the Proposal Trustee's address as set out below.
3. By way of certified cheque, money order, or bank draft made out to "Aird & Berlis LLP, in trust", delivered to the Proposal Trustee's Counsel's address as set out below.

Please be advised that, by accepting the Deposits, Aird & Berlis LLP will not become responsible to make any determination as to the parties' entitlement to the funds so deposited. Should any dispute arise in relation to the Deposits, Aird & Berlis LLP reserves the right to return the Deposits to the Proposal Trustee and/or to pay them into court pending a resolution of the dispute.

Notices

A. To the Proposal Trustee

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

Attention: Hans Rizarri and Graeme Hamilton
Tel: (416) 963-7175 / (416) 963-7140
Email: graeme.hamilton@crowesoberman.com
hans.rizarri@crowesoberman.com

B. The Proposal Trustee's Counsel

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

Attention: Steven Graff and Miranda Spence
Tel: (416) 865-7726 / (416) 865-3414
Email: sgraff@airdbelis.com
mspence@airdbelis.com

Stuart Sylvester
Analyst

Direct: (416) 359-2471
Mobile: (647) 302-5653
stuart.sylvester@cushwake.com



161 Bay Street, Suite 1500
Toronto, ON M5J 2S1 | Canada
Cushmanwakefield.com

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APPENDIX

‘Q’

Graeme Hamilton

From: Graeme Hamilton
Sent: February 22, 2018 3:56 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Sale of 240 Duncan Mill Road - IMPORTANT INFORMATION RELATING TO AUCTION RULES - PLEASE READ

Dear Participant,

By way of this email, you are hereby invited to participate in the auction of the property known municipally as 240 Duncan Mill Road, Toronto, Ontario (the "**Property**"). The auction will be conducted as follows:

1. Bids in the auction shall be submitted by email to the Proposal Trustee and its counsel at the addresses set out below.
2. In order to constitute a qualified bid for the purposes of the auction (a "**Qualified Auction Bid**"), a bid must:
 - a. be submitted via the Proposal Trustee's form of Agreement of Purchase and Sale (the "**APS**"). Any revisions to the form of APS must be identified by way of an attached blackline;
 - b. contain no conditions, other than the requirement that the Proposal Trustee obtain a court order approving the transaction. For greater certainty, a Qualified Auction Bid may not contain any contingency relating to due diligence, financing, or any other material conditions precedent to the bidder's obligation to close that are not otherwise contained in the APS;
 - c. remain open for acceptance and completion until court approval;
 - d. be accompanied by evidence of the proposed purchaser's financial ability to complete the transaction at the applicable purchase price;
 - e. provide an offer for consideration that is equal to or higher than the minimum purchase price applicable to that round of bidding; and
 - f. be received by the deadline applicable to that round of bidding.

The winning bidder must be prepared to increase its existing deposit to 10% of the purchase price set out in any accepted Qualified Auction Bid, within 24 hours of its acceptance by the Proposal Trustee, by way of certified cheque or wire.

3. The parameters applicable to the first round of bidding are as follows:
 - a. the minimum cash purchase price shall be \$[REDACTED]; and
 - b. bids shall be received by the Proposal Trustee and its counsel no later than 10:00 a.m. (Toronto time) on Monday, February 26, 2018.
4. The Proposal Trustee, in consultation with its counsel, shall review the bids submitted. If there is more than one Qualified Auction Bid, the Proposal Trustee shall advise the parties that have submitted such Qualified Auction Bids of the parameters (i.e. minimum purchase price and

deadline) for the next round of bidding (the "Notice of Next Round"). The Notice of Next Round shall be communicated by way of email to the email address from which the Qualified Auction Bid was received, together with all email addresses copied on the email attaching the Qualified Auction Bid. The minimum purchase price shall be based upon the highest Qualified Auction Bid from the prior round.

5. The Proposal Trustee anticipates providing parties that have submitted a Qualified Auction Bid with the Notice of Next Round within approximately one hour following the applicable deadline. The next applicable deadline shall be approximately one hour from issuance of the Notice of Next Round. All rounds of bidding shall be completed on Monday, February 26, 2018, absent extenuating circumstances, in the Proposal Trustee's sole discretion.
6. Bidding shall continue until such time as only one Qualified Auction Bid is submitted in a particular round. If there are no bids in a particular round, the Proposal Trustee shall accept the highest Qualified Auction Bid from the prior round. At that time, the Proposal Trustee shall advise all participants that the auction has come to a conclusion. The successful bidder will be advised as such. The unsuccessful bidders will be advised that their bids have been rejected.

Contact information for the Proposal Trustee and its counsel is set out below. As set out above, bids must be sent by way of email to all of the email addresses identified below.

A. To the Proposal Trustee

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

Attention: Hans Rizarri and Graeme Hamilton
Tel: (416) 963-7175 / (416) 963-7140
Email: graeme.hamilton@crowesoberman.com
hans.rizarri@crowesoberman.com

B. The Proposal Trustee's Counsel

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

Attention: Steven Graff and Miranda Spence
Tel: (416) 865-7726 / (416) 865-3414
Email: sgraff@airdberlis.com
mspence@airdberlis.com

Should you have any questions regarding the foregoing process, please do not hesitate to contact us.

Graeme Hamilton,

BA(Hons.), BEd.
Corporate Recovery and Turnaround

Crowe Soberman Inc.,
Licensed Insolvency Trustee
2 St. Clair Ave. E., Suite 1100
Toronto, Ontario M4T 2T5
Direct: 416.963.7140 Fax: 416.929.2555
Main: 416.929.2500 Toll Free: 1.877.929.2501
graeme.hamilton@crowesoberman.com
www.crowesobermaninc.com

 Please consider the environment before printing this email.

APPENDIX

‘R’

**DAN REALTY CORPORATION
E. MANSON INVESTMENTS LIMITED
COPPERSTONE INVESTMENTS LIMITED**

December , 2017

1482241 Ontario Limited
c/o Blaney McMurtry LLP
1500 - 2 Queen Street East
Toronto, ON MSC 3G5
Attn: David Ullmann

Crowe Soberman Inc.
c/o Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9
Attn: Steven Graff

Dear Sirs:

Re: Interim Financing Term Sheet re 240 Duncan Mill Road, Toronto (the "Property")

Dan Realty Corporation, E. Manson Investments Limited and Copperstone Investments Limited (the "First Mortgagees") have offered, and 1482241 Ontario Limited (the "Borrower") has accepted, funding to the Borrower in the context of a proposal proceeding (the "BIA Proceeding") commenced under the *Bankruptcy and Insolvency Act* (the "BIA") subject to and in accordance with the terms set out herein.

Borrower	1482241 Ontario Limited
DIP Facility	Non-revolving, super-priority, credit facility (the "DIP Facility") in an amount equal to the realty taxes outstanding with respect to the Property, currently estimated at approximately \$1.5 million, plus related fees, interest, penalties and costs. The First Mortgagee will consult with the Borrower as to the correct amount payable in respect of the realty taxes and shall limit its advance to that amount, plus related fees, interest, penalties and costs.
Purpose	The purpose of the DIP Facility is to pay to the City of Toronto all realty taxes outstanding with respect to the Property, currently estimated at approximately \$1.5 million, plus related fees, interest, penalties and costs.
Repayment	The Borrower shall repay all obligations owing under the DIP Facility (the "DIP Obligations") on the earlier of: (a) an Event of Default (as defined below) in respect of which written notice has been received by the Debtor

	and which Event of Default has not been remedied; (b) completion of a transaction for the sale of the Property; and (c) May 15, 2018; or such other date as the Borrower and the First Mortgagees may agree to in writing.
Voluntary Payments	The Borrower may make payments of not less than \$500,000 on account of the DIP Obligations at any time and from time to time without bonus or penalty but on no less than five days' written notice.
Interest Rate	Interest shall be calculated at the rate (11%) and on the terms provided for under the First Mortgagees' charge/mortgage registered on title to the Property.
Security	<p>Subject to the terms of the DIP Approval Order (as defined below), the payment and performance of the DIP Obligations shall be secured and assured by a super priority court-ordered charge in favour of the First Mortgagees (the "DIP Charge") over all of the assets, property and undertaking of the Borrower, including but not limited to the Property (the "Collateral").</p> <p>The DIP Charge will rank in priority to all other encumbrances of any kind whatsoever, including all mortgages registered on title to the Property and all charges created under the Order of Justice Hainey dated November 3, 2017.</p>
Conditions Precedent to the DIP Facility and to Advances	<p>The ability of the Borrower to obtain funding under the DIP Facility shall be subject to satisfaction of the following conditions:</p> <ul style="list-style-type: none"> • an order in the BIA Proceeding, in form and content satisfactory to the First Mortgagees, approving this DIP Facility (the "DIP Approval Order") will have been obtained; • there will be no pending appeals, injunctions or other legal impediments relating to the DIP Facility or pending litigation seeking to restrain or prohibit advancing funds under the DIP Facility; • no Event of Default will have occurred or be continuing; and • the First Mortgagees shall not have demanded repayment of the DIP Obligations.
Positive Covenants	<p>Until the DIP Obligations have been repaid in full and the DIP Facility terminated, the Borrower covenants and agrees to do the following:</p> <ul style="list-style-type: none"> • comply with all orders made in the BIA Proceeding except to the extent such orders have been in whole or in part stayed, reversed,

	<p>modified or amended;</p> <ul style="list-style-type: none"> • keep the First Mortgagees apprised on a timely basis of all material developments with respect to the business and affairs of the Borrower; • deliver to the First Mortgagees such reporting and other information from time to time reasonably required by the First Mortgagees; • maintain its corporate existence; • insure and keep insured, to the extent necessary, the Collateral on terms acceptable to the First Mortgagees naming the First Mortgagees as loss payee and additional insured; • comply with all applicable laws, rules and regulations applicable to the business of the Borrower; and • pay to the First Mortgagees in an amount up to the DIP Obligations then owing to the First Mortgagees, proceeds of disposition received by the Borrower from the sale of the Collateral.
Negative Covenants	<p>Until the DIP Obligations have been repaid in full and the DIP Facility terminated, the Borrower covenants and agrees not to do or cause to be done the following:</p> <ul style="list-style-type: none"> • subject to any compromise or arrangement the DIP Obligations and any other present and future indebtedness, liabilities and obligations of the Borrower to the First Mortgagees; • apply for or consent to any change, amendment or modification to any order issued in the BIA Proceeding without the prior written consent of the First Mortgagees, or fail to oppose any application or motion for a change, amendment or modification to such orders opposed by the First Mortgagees; • create, assume, incur or suffer to exist any encumbrance on the Collateral, without the prior written consent of the First Mortgagees; and • make any corporate distributions of any kind whatsoever to any director, officer or shareholder of the Borrower.
Expenses	<p>The Borrower will reimburse the First Mortgagees for all reasonable fees (including legal and professional fees on a full indemnity basis), disbursements and out-of-pocket expenses incurred by the First</p>

	<p>Mortgagees in any manner in connection with the DIP Facility and the DIP Charge. All such fees, disbursements and expenses shall be included in the DIP Obligations and secured by the DIP Charge.</p>
Events of Default	<p>The occurrence of any one or more of the following events, without the prior written consent of the First Mortgagees, shall constitute an event of default ("Event of Default") under this DIP Facility:</p> <ul style="list-style-type: none"> (a) the issuance of an order terminating the BIA Proceeding or lifting the stay in the BIA Proceeding to permit the enforcement of any security against the Borrower or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against the Borrower; (b) the issuance of an order granting an Encumbrance equal or superior status to that of the DIP Charge; (c) the issuance of an order staying, reversing, vacating or otherwise modifying the DIP Charge or any orders in a manner which adversely impacts the rights and interests of the First Mortgagees; (d) if (i) the DIP Approval Order is varied without the consent of the First Mortgagees in a manner adverse to the First Mortgagees or (ii) the stay of proceedings contained in any order is terminated or is lifted to allow an action adverse to the First Mortgagees; (e) failure of the Borrower to pay any principal, interest, fees or any other amounts, in each case when due and owing hereunder; (f) an order is made, a liability arises or an event occurs, including any change in the business, assets or conditions, financial or otherwise, of the Borrower, that will have a material adverse effect on the Borrower; (g) any material violation or breach of any order upon receipt by the Borrower of notice from the First Mortgagees of such violation or breach; and (h) failure of the Borrower to perform or comply with any other term or covenant hereunder and such default shall continue unremedied for a period of three (3) business days. <p>For greater certainty, any existing default under any existing credit agreement, loan, mortgage or other agreement of any kind among the First Mortgagees (or any of them) and the Borrower shall not constitute an Event of Default under this Agreement unless such default is also an Event of Default listed above.</p>

- 5 -

Remedies	Upon the occurrence of an Event of Default, upon further order of the Court, the First Mortgagees shall have the right to exercise all other customary remedies, including, without limitation, the right to apply to the court for the appointment of a receiver in order for a receiver to realize on the Collateral. No failure or delay by the First Mortgagees in exercising any of their rights hereunder or at law shall be deemed a waiver of any kind, and the First Mortgagees shall be entitled to exercise such rights at any time.
Existing Amounts owing by Tenants for Realty Taxes	Nothing in this agreement assigns to the First Mortgagee the right to collect any amounts which are currently outstanding and owing by any tenant or any other party to the Borrower for outstanding realty taxes, or releases those parties from their obligation to pay those amounts to the Borrower. For greater certainty, the Borrower can continue to collect such amounts as are due from those parties hereafter.
Governing Law	The laws of the Province of Ontario and the federal laws of Canada.

The undersigned parties accept and agree to the terms and conditions set out in this Agreement.

1482241 ONTARIO LIMITED

Per: 
 Name: Alain Checroune
 Title: President

DAN REALTY CORPORATION

Per: _____
 Name: _____
 Title: _____

E. MANSON INVESTMENTS LIMITED

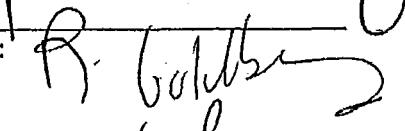
Per: 
 Name: R. Goldberg
 Title: V.P.

- 6 -

COPPERSTONE INVESTMENTS
LIMITED

Per:

Name:
Title:


R. Goldsberg

V.P.

Remedies	Upon the occurrence of an Event of Default, upon further order of the Court, the First Mortgagees shall have the right to exercise all other customary remedies, including, without limitation, the right to apply to the court for the appointment of a receiver in order for a receiver to realize on the Collateral. No failure or delay by the First Mortgagees in exercising any of their rights hereunder or at law shall be deemed a waiver of any kind, and the First Mortgagees shall be entitled to exercise such rights at any time.
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Governing Law	The laws of the Province of Ontario and the federal laws of Canada.

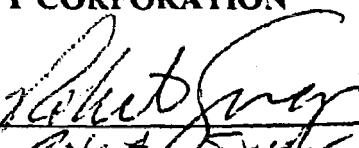
The undersigned parties accept and agree to the terms and conditions set out in this Agreement.

1482241 ONTARIO LIMITED

Per: 

Name: Main Checroune
Title: President

DAN REALTY CORPORATION

Per: 

Name: Robert Singer
Title: Vice President

E. MANSON INVESTMENTS LIMITED

Per: _____

Name: _____
Title: _____

TAB 3

Court File No. 31-2303814
Estate 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**

**AFFIDAVIT OF STEVEN L. GRAFF
(sworn March 7, 2018)**

I, **STEVEN L. GRAFF**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for Crowe Soberman Inc. in its capacity as proposal trustee of 1482241 Ontario Limited (in such capacity, the “Proposal Trustee”).
2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Proposal Trustee, detailing its services rendered and disbursements incurred, namely:
 - (a) an account dated December 14, 2017 in the amount of \$48,132.96 in respect of the period from October 26, 2017 to December 11, 2017;
 - (b) an account dated January 24, 2018 in the amount of \$21,563.21 in respect of the period from December 10, 2017 to January 19, 2018;
 - (c) an account dated February 26, 2018 in the amount of \$29,773.80 in respect of the period from January 22, 2018 to February 23, 2018;

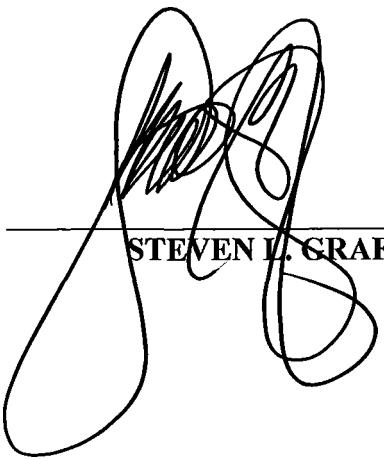
(the "Statements of Account"). Attached hereto and marked as **Exhibit "A"** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is \$542.07.

3. Attached hereto and marked as **Exhibit "B"** to this Affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.
4. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
this 7th day of March, 2018)
)
)
)
)

A commissioner, etc.

Miranda Spence


STEVEN L. GRAFF

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF STEVEN L. GRAFF

Sworn before me

this 7 day of March, 2018

Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

AIRD BERLIS

187

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airdberlis.com

Crowe Soberman Inc.
1100-2 St. Clair Avenue East
Toronto, ON
M4T 2T5

Attention: Hans M. Rizarri

Account No.: 584827

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 48389/141309

December 14, 2017

Re: Proposal of 1482241 Ontario Limited and 240 Duncan Mill Road

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended December 13, 2017

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	26/10/17	\$775.00	0.40	\$310.00	Telephone call with H. Rizarri and M. Spence; consider timing and review
SLG	27/10/17	\$775.00	1.10	\$852.50	Review Order; review report; consider emails with G. Benchetrit
MES	27/10/17	\$395.00	0.70	\$276.50	Exchange emails with S. Graff, D. Ullmann, J. Samson, A. Reodorescu regarding motion to extend stay, etc. court date, First Report of the Trustee; Receive service of motion record
MES	28/10/17	\$395.00	0.50	\$197.50	Receive and review emails from G. Benchetrit and S. Graff regarding potential opposition to motion; Exchange emails with S. Graff and J. Samson regarding service of First Report of the Trustee; Serve First Report of the Trustee
MES	29/10/17	\$395.00	0.30	\$118.50	Receive and review emails from G. Benchetrit, S. Graff, D. Ullmann regarding proposed adjournment of motion, other issues

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
SLG	30/10/17	\$775.00	1.60	\$1,240.00	Conference call with J. Samuel, M. Spence and H. Rizarri; further telephone call with D. Ullmann; telephone call with G Benchetrit re same; follow up with H. Rizarri and review all emails
MES	30/10/17	\$395.00	2.90	\$1,145.50	Telephone call with S. Graff, D. Ullmann, G. Benchetrit; regarding request for adjournment of motion; Arrange for filing of Proposal Trustee's First Report; Review of materials; Review and respond to emails from S. Graff, H. Rizarri, J. Samson, D. Ullmann, G. Benchetrit, A. Teodorescu; Review proposed changes to form of order and discuss with S. Graff; Email to D. Ullmann regarding same
SLG	31/10/17	\$775.00	1.40	\$1,085.00	Review Management Agreement; review meals and letter from S. Brotman; telephone call with H. Rizarri; consider Miller Thomson response
MES	31/10/17	\$395.00	0.80	\$316.00	Receive and review emails from S. Graff and H. Rizarri regarding property management agreement
PW	31/10/17	\$180.00	0.60	\$108.00	Filed First Report for November 2, 2017
SLG	01/11/17	\$775.00	2.50	\$1,937.50	Conference call with H. Rizarri, J. Samuel; further call with Blaneys; conference call with Foglers; conference call with Chaitons; follow up with Blaneys and H. Rizarri
MES	01/11/17	\$395.00	1.20	\$474.00	Exchange numerous emails with D. Ullman, S. Graff, H. Rizarri, J. Samson, G. Benchetrit regarding various issues relating to first mortgagees, CPL holders; Telephone calls with S. Graff
SLG	02/11/17	\$775.00	4.00	\$3,100.00	Lengthy negotiations with G. Benchetrit, with D. Ullmann and others at Blaneys; several telephone calls and emails with G. Benchetrit and Chaitons; conference call with

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					S. Brotman and with Crowe Soberman; telephone call with Miller Thomson
MES	02/11/17	\$395.00	5.90	\$2,330.50	Exchange numerous emails with S. Graff, D. Ullmann, H. Rizarri, A. Teodorescu regarding various issues to be addressed on motion; Conference call with S. Graff and D. Ullmann regarding strategy; Telephone call with S. Graff, D. Ullmann, G. Benchetrit, G. Azeff regarding position of first mortgagees and Neelofar parties; Review and provide comments on factum prepared by debtor; Various telephone calls with S. Graff; Revise proposed SISP and order and provide comments to A. Teodorescu; Review and provide comments on Supplementary Proposal Trustee's Report; Exchange emails with H. Rizarri and J. Samson regarding same; Serve Supplementary Proposal Trustee's Report
SLG	03/11/17	\$775.00	4.00	\$3,100.00	Attend court on motion for PID, charging order and sale process approval
MES	03/11/17	\$395.00	4.50	\$1,777.50	Exchange emails with S. Brotman, S. Graff in advance of hearing; Prepare for hearing; Attend at hearing of motion for stay extension, approval of DIP charge, admin charge, sale process; Receive and review email from D. Ullmann
SLG	04/11/17	\$775.00	0.80	\$620.00	Review and revise management agreement
MES	06/11/17	\$395.00	1.50	\$592.50	Exchange emails with S. Graff, H. Rizarri regarding various issues; Exchange emails with S. Graff, H. Rizarri, G. Benchetrit regarding call to consult with first mortgagees; Review and revise Management Agreement with Avison Young

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
SLG	07/11/17	\$775.00	0.60	\$465.00	Telephone call with G. Benchetrit re brokers; review management agreement; devise list of brokers
MES	07/11/17	\$395.00	0.80	\$316.00	Exchange emails with G. Benchetrit regarding Management Agreement; Telephone call with S. Graff, J. Samson, H. Rizarri, G. Benchetrit regarding consultation with mortgagees; Receive and review emails from J. Samson and G. Hamilton regarding realty taxes
RTH	08/11/17	\$695.00	0.20	\$139.00	Email from Miranda re registration of order; Email to Miranda; Review order; Prepare document
MES	08/11/17	\$395.00	0.60	\$237.00	Exchange emails with A. Teodorescu regarding registration of order; Instruct R. Hooke regarding same; Review proposed correspondence to listing agents and consider; Exchange emails with G. Hamilton regarding same
SLG	09/11/17	\$775.00	0.70	\$542.50	Telephone call with S. Brotman; discussion with G. Benchetrit; telephone call with H. Rizarri; meal with D. Ullmann
RTH	09/11/17	\$695.00	0.40	\$278.00	Attend to registration of order; Email to Miranda
MES	09/11/17	\$395.00	0.50	\$197.50	Receive and review emails from J. Samson and G. Benchetrit regarding mortgage payment; Receive and review email from G. Hamilton regarding Colliers' presentation; Telephone call with G. Hamilton
SLG	10/11/17	\$775.00	0.50	\$387.50	Telephone call with H. Rizarri; telephone call with L. McKeon re priority issue; consider stalking hose and offers to list
MES	10/11/17	\$395.00	0.70	\$276.50	Various telephone calls with G. Hamilton regarding offers from listing agents; Receive and review proposals and summary of same; Exchange emails with G. Hamilton and S. Graff regarding same

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
SLG	12/11/17	\$775.00	0.30	\$232.50	Telephone call with D. Ullmann re stalking horse offer, communications protocol and priority issue with writ holder
SLG	13/11/17	\$775.00	1.00	\$775.00	Review analysis on payments to refinance property tax arrears; email G. Benchetrit; discussion with J. Nemers; conference call with H. Rizarri re sales process and stalking horse process
MGM	13/11/17	\$295.00	0.50	\$147.50	Pull various real estate security instruments
JTN	13/11/17	\$325.00	1.00	\$325.00	Meeting with S. Graff to discuss status and possible next steps; Telephone call with M. Spence; Engaged with review of materials; Email to M. MacDonald re real property instruments; Prepare draft email for S. Graff re sale process; Attend to related tasks as needed
MES	13/11/17	\$395.00	0.30	\$118.50	Receive and review emails from J. Nemers regarding parcel register issues; Receive and review emails from S. Graff, J. Samson, G. Benchetrit regarding property tax issue
IEA	14/11/17	\$495.00	0.30	\$148.50	Discussions with J. Nemers
JTN	14/11/17	\$325.00	1.90	\$617.50	Engaged with review of title, selected instruments, motion record, proposal trustee report, responding motion records, supplementary trustee report and issued and entered Order; Discussion with I. Aversa re same; Email to S. Graff re same
MES	14/11/17	\$395.00	0.20	\$79.00	Telephone call with G. Hamilton regarding approval of advertisement
JTN	15/11/17	\$325.00	2.80	\$910.00	Engaged with drafting of APA and related tasks; Engaged with review of, revisions to and drafting of non-disclosure agreement; Discussion with M. Spence re same; Email to client re same; Telephone call with

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					S. Graff and M. Spence re next steps; Voicemail to D. Ullmann; Attend to related matters as needed
MES	15/11/17	\$395.00	1.10	\$434.50	Discussions with J. Nemers regarding CPLs and circular priority issues; Receive and review emails from S. Graff and J. Nemers; Telephone call with S. Graff and J. Nemers to discuss approach; Telephone calls with G. Hamilton regarding NDA and teaser
SLG	16/11/17	\$775.00	0.70	\$542.50	Several telephone calls with H. Rizarri; telephone call with and emails with G. Benchetrit; discussion with M. Spence re financing DIP
JTN	16/11/17	\$325.00	4.80	\$1,560.00	Follow-up email to D. Ullmann re Allevio Clinic; Engaged with drafting of letter to G. Azeff; Attend on conference call with client and M. Spence; Engaged with revisions to listing agreement; Telephone call with S. Graff and M. Spence re same and related matters; Email to client; Attend on conference call with client and follow-up emails to client; Attend to related matters as needed
MES	16/11/17	\$395.00	1.80	\$711.00	Various discussions with J. Nemers regarding listing agreement and priority issues; Telephone calls with G. Hamilton regarding teaser; Telephone call with S. Graff and J. Nemers regarding priority issues; Exchange emails with S. Graff regarding realty taxes; Telephone call with H. Rizarri regarding realty taxes; Exchange emails with G. Benchetrit, H. Rizarri, S. Graff regarding realty taxes
SLG	17/11/17	\$775.00	0.50	\$387.50	Several emails with M. Spence and with J. Rizarri and G. Benchetrit on agent and sale process
JTN	17/11/17	\$325.00	2.40	\$780.00	Engaged with final review of listing agreement prior to execution; Email exchange with client re same; Engaged with continued drafting of

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION	193
					template APA	
MES	17/11/17	\$395.00	1.10	\$434.50	Exchange emails with G. Benchetrif regarding summaries of listing agreements; Telephone calls with G. Hamilton regarding various issues; Exchange emails with G. Hamilton regarding listing agreements and further telephone call with G. Hamilton; Email to G. Benchetrif providing listing agent proposals	
MES	18/11/17	\$395.00	0.30	\$118.50	Receive and review emails from G. Benchetrif, S. Graff and H. Rizarri regarding listing agents	
MES	19/11/17	\$395.00	0.40	\$158.00	Receive and review email from S. Graff; Receive and review emails from G. Benchetrif and S. Graff regarding listing agents; Exchange emails re: call with C. Smith, G. Benchetrif	
SLG	20/11/17	\$775.00	0.30	\$232.50	Telephone call with M. Spence; review email with BDC; review side letter and draft order	
SLG	20/11/17	\$775.00	0.30	\$232.50	Consider financing of property taxes	
SLG	20/11/17	\$775.00	0.50	\$387.50	Telephone call with C. Smith, G. Benchetrif and clients re agent	
JTN	20/11/17	\$325.00	0.10	\$32.50	Telephone call with M. Spence re draft APA	
MES	20/11/17	\$395.00	0.80	\$316.00	Exchange emails with H. Rizarri, G. Benchetrif, S. Graff regarding call with listing agent; Receive and review emails from G. Benchetrif, S. Graff, H. Rizarri regarding payout of realty taxes; Telephone calls with G. Hamilton and H. Rizarri regarding payout of realty taxes; Discussion with J. Nemers regarding drafting APA; Email to D. Ullmann regarding same	
SLG	21/11/17	\$775.00	0.30	\$232.50	Telephone call with M. Spence re status and review email on circular priority; consider APS	

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
JTN	21/11/17	\$325.00	0.10	\$32.50	Receipt and review of email from L. Keown; Email to client re same
MES	21/11/17	\$395.00	0.90	\$355.50	Exchange emails and telephone calls with H. Rizarri, G. Hamilton, G. Benchetrit regarding DIP loan to pay realty taxes; Voicemail to D. Ullmann; Exchange emails with J. Nemers and S. Graff regarding APA and writ priority issues
RTH	22/11/17	\$695.00	0.50	\$347.50	Review AVO and APS; Email to J. Nemers; Review PIN; Review order
JTN	22/11/17	\$325.00	1.70	\$552.50	Engaged with drafting of AVO and schedules to same and APS; Email to R. Hooke, S. Graff and M. Spence re same; Receipt and review of email from client re writ
MES	22/11/17	\$395.00	1.00	\$395.00	Exchange emails with G. Hamilton, H. Rizarri, G. Benchetrit regarding property tax issues; Telephone call with D. Ullmann; Receive and review emails from J. Nemers and R. Hooke regarding draft APA; Telephone call with S. Graff regarding approach
JTN	23/11/17	\$325.00	0.30	\$97.50	Telephone call with M. Spence re property tax issue and related matters; Attend to related matters
MES	23/11/17	\$395.00	0.70	\$276.50	Voicemail from S. Graff regarding draft APA; Telephone call with D. Ullmann regarding property tax issues and court date; Telephone calls with G. Hamilton regarding various issues; Telephone call with J. Nemers
SLG	24/11/17	\$775.00	0.30	\$232.50	Emails with H. Rizarri and S. Brotman re priority issues
RH	24/11/17	\$250.00	0.20	\$50.00	Receive instruction re research re priority between execution creditor and subsequent mortgagee for M. Spence
JTN	24/11/17	\$325.00	0.10	\$32.50	Receipt and review of emails from L. Keown

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	24/11/17	\$395.00	0.60	\$237.00	Review draft APA; Various discussions with S. Graff regarding outstanding issues; Instruct R. Hines regarding research into circular priority issues
JTN	25/11/17	\$325.00	0.10	\$32.50	Email exchange with S. Graff re draft APA
RH	26/11/17	\$250.00	2.00	\$500.00	Research re priority between execution creditor and subsequent mortgagee for M. Spence
JTN	26/11/17	\$325.00	0.20	\$65.00	Receipt and review of internal comments re draft APA; Email exchange with M. Spence re same
MES	26/11/17	\$395.00	1.60	\$632.00	Review and revise draft APS and exchange emails with J. Nemers regarding same; Office conference with R. Hines regarding research into priority issues; Exchange emails with R. Hines regarding same
SLG	27/11/17	\$775.00	0.40	\$310.00	Consider issue of Realty tax finance; consider APA and priority issue; email with L. McKeon; discussion with J. Nemers
RH	27/11/17	\$250.00	1.30	\$325.00	Research re priority between execution creditor and subsequent mortgagee for M. Spence; communicate findings to M. Spence, S. Graff, and J. Nemers re same
JTN	27/11/17	\$325.00	1.20	\$390.00	Meeting with S. Graff re status; Discussion with M. Spence re same; Emails to client and D. Ullmann re priority issues and APS; Prepare draft email to counsel for writ holder; Receipt and review of email from G. Benchetrit re realty taxes; Attend to related matters as needed
MES	27/11/17	\$395.00	1.50	\$592.50	Discussion with J. Nemers re: APA; Receive and review emails from G. Hamilton, S. Graff, J. Nemers re: APA; Receive and review email from J. Nemers to D. Ullmann re realty tax issue; Exchange emails with R. Hines re: research; Receive and

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
					review email from S. Graff to L. Keown re: priority issue; Receive and review email from G. Benchetrit
JTN	28/11/17	\$325.00	0.20	\$65.00	Email exchange with D. Ullmann re outstanding issues
MES	28/11/17	\$395.00	0.20	\$79.00	Receive and review emails from D. Ullmann, J. Nemers, S. Graff
MES	28/11/17	\$395.00	0.20	\$79.00	Receive voicemail from D. Ullmann re: realty tax issue; Exchange emails with J. Nemers re: same
SLG	29/11/17	\$775.00	0.20	\$155.00	Email from D. Ullmann; review letter from Torgan cancelling agreement
JTN	29/11/17	\$325.00	0.50	\$162.50	Follow-up email to D. Ullmann; Receipt and review of email from D. Ullmann and attachments thereto; Receipt and review of response from S. Graff re same; Telephone call with G. Hamilton; Receipt and review of litigation memorandum from A. Grossman re tomorrow's conference call meeting
MES	29/11/17	\$395.00	0.40	\$158.00	Receive and review emails from J. Nemers, D. Ullmann, S. Graff re: realty tax issues, cancellation of Torgan APS, summary of litigation
SLG	30/11/17	\$775.00	0.60	\$465.00	Conference call with Blaneys and Crowe Soberman re litigation and manner of dealing
JTN	30/11/17	\$325.00	1.10	\$357.50	Telephone call with client; Discussion with S. Graff; Attend on conference call to discuss litigation and other matters with D. Ullmann, A. Grossman, client and S. Graff
JTN	01/12/17	\$325.00	0.20	\$65.00	Receipt and review of letters from debtor's counsel re outstanding litigation; Emails to S. Graff and M. Spence re same
MES	01/12/17	\$395.00	0.30	\$118.50	Receive and review emails from J. Nemers regarding litigation matters

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	02/12/17	\$395.00	0.10	\$39.50	Receive and review email from H. Rizarri regarding payout statement
SLG	04/12/17	\$775.00	0.20	\$155.00	Emails and telephone calls with G. Benchetrit re listing and timing of process; telephone call with J. Nemers
JTN	04/12/17	\$325.00	0.30	\$97.50	Telephone call with G. Hamilton re sale process timelines; Follow-up discussion with S. Graff re same
MES	04/12/17	\$395.00	0.20	\$79.00	Exchange emails with J. Nemers regarding date for motion
SLG	05/12/17	\$775.00	0.20	\$155.00	Emails re payment of rent cheques
MES	05/12/17	\$395.00	0.20	\$79.00	Receive and review emails regarding motion date
SLG	06/12/17	\$775.00	0.40	\$310.00	Extension of time for sale process; telephone call with N. Rabinowitz
JTN	07/12/17	\$325.00	1.40	\$455.00	Telephone call with S. Graff re client instructions; Email to D. Ullmann re Sale Process timelines; Prepare draft letter to D. Ullmann re interference and pre-filing debt issues; Email to S. Graff re same; Telephone call with M. Spence re general update
MES	07/12/17	\$395.00	0.20	\$79.00	Receive and review email from J. Nemers regarding extension of bid deadline; Receive and review email from J. Nemers regarding proposed correspondence to D. Ullmann
SLG	08/12/17	\$775.00	0.80	\$620.00	Emails from D. Ullmann and G. Benchetrit re payment of interest, payout and realty tax payment
JTN	08/12/17	\$325.00	1.10	\$357.50	Email exchanges and conference call with G. Hamilton and [REDACTED] re marked-up NDA; Telephone call with G. Hamilton re same; Receipt and review of email from D. Ullmann; Email to S. Graff and M. Spence re same; Receipt of executed NDA from [REDACTED] Attend to related tasks as needed

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	08/12/17	\$395.00	0.30	\$118.50	Receive and review email from J. Nemers regarding letter to D. Ullmann; Receive and review emails from G. Hamilton, J. Nemers regarding NDA and data room; Receive and review email from D. Ullmann regarding meeting with A. Checroune
MES	10/12/17	\$395.00	0.40	\$158.00	Receive and review emails from J. Nemers, D. Ullmann, S. Graff regarding various issues
SLG	11/12/17	\$775.00	0.30	\$232.50	Discussion with M. Spence and review emails with D. Ullmann and payout realty taxes and Avison management
TOTAL:		88.10	\$42,430.00		

Name	Hours	Rate	Value
Steven L. Graff (SLG)	24.90	\$775.00	\$19,297.50
Miranda E. Spence (MES)	35.70	\$395.00	\$14,101.50
Patrick Williams (PW)	0.60	\$180.00	\$108.00
Randy T. Hooke (RTH)	1.10	\$695.00	\$764.50
Michael G. McDonald (MGM)	0.50	\$295.00	\$147.50
Jeremy T. Nemers (JTN)	21.50	\$325.00	\$6,987.50
Ian E. Aversa (IEA)	0.30	\$495.00	\$148.50
Rebecca Hines (RH)	3.50	\$250.00	\$875.00

OUR FEE \$42,430.00
HST at 13% \$5,515.90

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Teranet	\$63.65
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Subject to HST

Binding and Tabs	\$13.25
Service Fee Teranet	\$10.60
Teraview Search	\$77.10
Photocopies - Local	\$6.75
Photocopies	\$1.50
 Total Disbursements	 \$109.20
HST at 13%	\$14.20
 AMOUNT NOW DUE	 <u>\$48,132.95</u>

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

31238335.1

IN ACCOUNT WITH:

AIRD BERLIS

200

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airdberlis.com

Crowe Soberman Inc.
1100-2 St. Clair Avenue East
Toronto, ON M4T 2T5

Attention: Hans M. Rizarri

Account No.: 588218

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 48389/141309

January 24, 2018

Re: Proposal of 1482241 Ontario Limited and 240 Duncan Mill Road

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended January 19, 2018

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	10/12/17	\$325.00	0.40	\$130.00	Receipt and review of emails from D. Ullmann and G. Benchetrit re next court appearance and related matters; Emails to M. Spence re same; Email exchange with S. Graff re draft letter to D. Ullmann; Email to client re same
JTN	11/12/17	\$325.00	0.30	\$97.50	Receipt and review of emails from client, D. Ullmann and G. Benchetrit; Receipt and review of draft affidavit
MES	11/12/17	\$395.00	1.60	\$632.00	Issue letter to D. Ullmann regarding various issues; Telephone call with D. Ullmann regarding same; Receive and review email from D. Ullmann and discuss with S. Graff; Exchange emails with A. Teodorescu regarding sale process; Telephone calls with G. Hamilton regarding various issues for upcoming motion; Receive emails enclosing draft affidavit and trustee's report
SLG	12/12/17	\$775.00	0.10	\$77.50	Address property tax DIP
JTN	12/12/17	\$325.00	0.20	\$65.00	Receipt and review of emails from G. Benchetrit, M. Spence, S. Graff and D. Ullmann

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	12/12/17	\$395.00	2.60	\$1,027.00	Telephone call with D. Ullmann, S. Graff, G. Hamilton, H. Rizarri regarding issues to be addressed on December 18 motion; Telephone call with G. Benchelrit regarding same; Review and provide comments on draft affidavit of A. Checroune; Review term sheet regarding realty tax DIP; Exchange emails with S. Graff, H. Rizarri, D. Ullmann regarding G. Benchelrit position on motion; Telephone calls and exchange of emails with G. Hamilton; Receive service of motion record returnable December 18; Receive and review emails from G. Benchelrit in response to same
SLG	13/12/17	\$775.00	0.30	\$232.50	Telephone call with M. Spence; review facts and position of D. Ullmann; consider issues and motion
JTN	13/12/17	\$325.00	0.40	\$130.00	Receipt and review of debtor's motion record; Receipt and review of Second Report
MES	13/12/17	\$395.00	3.80	\$1,501.00	Receive and review emails from G. Benchelrit and D. Ullmann regarding tax DIP and extension of SISP; Telephone call and exchange of emails with G. Hamilton and H. Rizarri regarding same; Send email to D. Ullmann and G. Benchelrit regarding same; Further exchange of emails and telephone calls with D. Ullmann, G. Benchelrit, H. Rizarri, G. Hamilton regarding various issues; Review motion record of debtor regarding extension of stay and SISP; Review and revise second report of the proposal trustee; Telephone calls and exchanges of emails with G. Hamilton regarding revising and finalizing second report of proposal trustee; Serve second report of proposal trustee on service list
MES	14/12/17	\$395.00	1.00	\$395.00	Email to S. Brotman regarding debtor's conduct; Exchange of emails with G. Hamilton regarding second mortgagee; Telephone call with H. Margel regarding second mortgagee; Receive and respond to emails from D. Ullmann, G. Benchelrit, G. Hamilton regarding tax DIP; Receive and review revised notice of motion; Telephone calls with G. Hamilton regarding various issues

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
SLG	15/12/17	\$775.00	0.10	\$77.50	Email with C. Smith
SLG	15/12/17	\$775.00	1.00	\$775.00	Telephone call with counsel for tenant; discussion with M. Spence; review all emails; consider finance of realty tax; extension of sale process
MES	15/12/17	\$395.00	1.70	\$671.50	Various telephone calls and exchanges of emails with G. Hamilton, H. Rizarri, S. Graff regarding upcoming motion, extension of sale process, tax DIP, payments to second mortgagees; Telephone call with I. Merrow regarding Hussaini parties' bidding; Receive and review correspondence regarding Caruda participation in sale process; Telephone calls with G. Benchetrit regarding relief sought on motion; Review and revise form of order and exchange emails with G. Benchetrit, D. Ullmann regarding same
PW	15/12/17	\$180.00	0.60	\$108.00	Filed Second Report of Trustee for December 18, 2017
SLG	18/12/17	\$775.00	0.20	\$155.00	Discussion with M. Spence and review status on SIP and sales
JTN	18/12/17	\$325.00	0.20	\$65.00	High-level review of motion record of first mortgagee; Discussion with M. Spence re same
MES	18/12/17	\$395.00	2.90	\$1,145.50	Prepare for and attend at court to speak to motion for stay extension, sale process extension, property tax charge; Telephone calls with G. Hamilton and H. Rizarri regarding various issues; Exchange emails with G. Hamilton regarding second mortgagee; Receive and review motion record from first mortgagee regarding property tax charge
SLG	19/12/17	\$775.00	1.00	\$775.00	Review emails re A. Chechroune conduct; Avison Young; review property; DIP; extend of reporting and discussion with H. Rizarri and M. Spence
JTN	19/12/17	\$325.00	0.10	\$32.50	Engaged with high-level review of draft supplementary report

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	19/12/17	\$395.00	2.50	\$987.50	Telephone calls and exchanges of emails with G. Hamilton and H. Rizarri regarding A. Checroune altercation with Avison Young, property tax issues; supplemental report, next steps; Telephone calls with A. Grossman regarding stay of pending appeal; Telephone call with S. Graff regarding various issues; Telephone calls with D. Ullmann regarding property tax charge; Receive and review term sheet; Receive and review emails from G. Benchetrit and A. Teodorescu regarding term sheet and revised order
JTN	20/12/17	\$325.00	0.10	\$32.50	Email exchange with M. Spence re NDA
MES	20/12/17	\$395.00	4.50	\$1,777.50	Prepare for and attend at court for motion to address stay extension, sale process extension, property tax DIP; Exchange emails regarding printing documents in data room
SLG	21/12/17	\$775.00	0.50	\$387.50	Discussion with M. Spence; emails with G. Hamilton and H. Rizarri re payment of realty taxes
MES	21/12/17	\$395.00	1.50	\$592.50	Exchange emails with D. Ullmann and G. Hamilton regarding posting extension order; Exchange telephone calls and emails with G. Hamilton regarding payment of property taxes; Consult with J. Johnson and call to City regarding payment of taxes; Issue wire to bailiff; Telephone call with Court of Appeal regarding stay; Email to A. Grossman regarding same; Receive emails from H. Rizarri regarding Bitton litigation
SLG	22/12/17	\$775.00	0.20	\$155.00	Review emails on process and property tax payment
JTN	22/12/17	\$325.00	0.10	\$32.50	Telephone call with M. Spence re destruction clause in confidentiality agreement
MES	22/12/17	\$395.00	1.60	\$632.00	Telephone calls and exchange of emails with bailiff's office payment of property taxes; Exchange emails with G. Benchetrit, D. Ullmann regarding additional funds for 2017 property taxes; Receive and respond to email from S. Sylvester regarding amended dates for SISP; Review SISP and

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					consider amendments to same; Receive and review correspondence between A. Grossman and Court of Appeal
MES	28/12/17	\$395.00	0.30	\$118.50	Receive email from R. Villa regarding access to data room; Receive and review letter from Court of Appeal regarding January 8 appeal date; Receive and review email response from S. Schwartz
MES	02/01/18	\$435.00	1.60	\$696.00	Email to G. Hamilton regarding revised SISP timetable; Telephone call with G. Hamilton regarding update as to various matters; Receive and review emails from counsel to Allevio regarding flooding; Conference call with H. Rizarri, G. Hamilton, Avison Young regarding flooding; Exchange further emails with H. Rizarri and counsel for Allevio regarding flooding; Exchange emails with G. Benchetrit and D. Ullmann regarding payment of property taxes
SLG	03/01/18	\$795.00	0.10	\$79.50	Emails re property management and flooding
MES	03/01/18	\$435.00	1.40	\$609.00	Telephone calls with G. Hamilton regarding various issues; Exchange emails with G. Benchetrit and D. Ullmann regarding property tax issues; Telephone call with D. Ullmann regarding property taxes and insurance issues; Review relevant law and email to D. Ullmann regarding priority of enforcement costs of property taxes
MES	04/01/18	\$435.00	1.20	\$522.00	Telephone calls with G. Hamilton regarding heating issues, revised SISP timetable; Receive and review emails from G. Hamilton, H. Rizarri regarding tenant concerns, fire code violation; Exchange emails with G. Benchetrit and H. Rizarri regarding property taxes
SLG	05/01/18	\$795.00	0.20	\$159.00	Review emails re form of order; issues with build up
MES	05/01/18	\$435.00	0.30	\$130.50	Exchange emails with G. Benchetrit regarding property taxes; Receive and review email from counsel for Allevio regarding damage to property

AIRD & BERLIS LLP
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LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	07/01/18	\$435.00	0.30	\$130.50	Receive and review report of mechanical engineer; Receive and review emails from G. Benchetrit and H. Rizarri regarding damage to property.
MES	08/01/18	\$435.00	0.60	\$261.00	Telephone call with G. Hamilton regarding status of building; Receive and review emails from H. Rizarri and G. Benchetrit regarding damages; Telephone call with S. Graff regarding various issues; Exchange emails with G. Benchetrit regarding payment of property taxes
MES	09/01/18	\$435.00	0.50	\$217.50	Telephone call with G. Hamilton regarding mechanical issues; Discussion with S. Graff regarding same; Arrange for payment of property taxes; Email to G. Benchetrit and D. Ullmann regarding same
SLG	10/01/18	\$795.00	0.20	\$159.00	Address cost of repair, meeting with A. Young and CS
MES	10/01/18	\$435.00	0.60	\$261.00	Telephone call with G. Hamilton regarding various issues arising from operation of building, auction; Receive and respond to emails regarding meeting with Avison Young
MES	11/01/18	\$435.00	0.30	\$130.50	Receive email from H. Margel; Telephone call and exchange of emails with G. Hamilton regarding payment of second mortgagee payment
MES	12/01/18	\$435.00	0.50	\$217.50	Receive and review emails from G. Hamilton providing reports from mechanical engineer; Telephone calls with G. Hamilton and H. Rizarri re: meeting and provision of reporting to debtor
SLG	15/01/18	\$795.00	0.20	\$159.00	Discussion with M. Spence and review emails re management of building
MES	15/01/18	\$435.00	0.10	\$43.50	Receive and review email from G. Hamilton re: listing of vacant premises
MES	16/01/18	\$435.00	0.50	\$217.50	Telephone calls and exchange of emails with G. Hamilton re: meeting with debtor and Avison Young

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	17/01/18	\$435.00	2.70	\$1,174.50	Attend meeting at Avison Young office to discuss various building issues; Exchange emails and telephone calls with G. Hamilton re: next steps; Discussion with S. Graff re: next steps
MES	18/01/18	\$435.00	1.20	\$522.00	Telephone call with S. Graff re: expansion of proposal trustee's powers and approach; Telephone calls with G. Hamilton re: advancing matter; Exchange emails and telephone call with G. Benchetrit re: engineering report
MES	19/01/18	\$435.00	1.10	\$478.50	Correspondence with court re: scheduling 9:30 appointment; Telephone call with G. Hamilton re: status; Exchange emails with G. Benchetrit and S. Graff; Telephone call with G. Benchetrit re: status; Receive and review emails from G. Hamilton re: additional building issues
TOTAL:		43.40	\$18,976.00		

Name	Hours	Rate	Value
Jeremy T. Nemers (JTN)	1.80	\$325.00	\$585.00
Miranda E. Spence (MES)	36.90	\$408.98	\$15,091.50
Steven L. Graff (SLG)	4.10	\$778.41	\$3,191.50
Patrick Williams (PW)	0.60	\$180.00	\$108.00

OUR FEE \$18,976.00
 HST at 13% \$2,466.88

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Non Taxable Cash to UBD	\$17.50
Wire Charges	\$15.00

Total Agency Costs	\$32.50
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Subject to HST

Photocopies - Local	\$20.00
Photocopies	\$14.00
Binding and Tabs	\$7.00
Taxi	\$36.73
 Total Disbursements	\$77.73
HST at 13%	\$10.10

AMOUNT NOW DUE **\$21,563.21**

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graft
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

31577666.1

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airdberris.com

Crowe Soberman Inc.
1100-2 St. Clair Avenue East
Toronto, ON
M4T 2T5

Attention: Hans M. Rizarri

Account No.: 591090

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 48389/141309

February 26, 2018

Re: Proposal of 1482241 Ontario Limited and 240 Duncan Mill Road

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended February 23, 2018

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MES	22/01/18	\$435.00	0.80	\$348.00	Receive and review second engineer report; Exchange emails and telephone calls with G. Hamilton re: same; Exchange emails with G. Benchetrit re: same
SLG	23/01/18	\$795.00	0.30	\$238.50	Discussion with M. Spence
MES	23/01/18	\$435.00	1.30	\$565.50	Exchange emails with G. Hamilton; Telephone call with Avison Young and G. Hamilton; Emails to D. Ullmann re: approach; Exchange emails with G. Benchetrit; Discussions with S. Graff
MES	24/01/18	\$435.00	1.10	\$478.50	Exchange emails with D. Ullmann; Telephone call with D. Ullmann re: status; Exchange emails with court re: cancellation of 9:30 appointment; Telephone calls with G. Hamilton re: upcoming motion and status of building; Exchange emails with counsel for Allevio re: status of building
JTN	25/01/18	\$375.00	0.30	\$112.50	Telephone call with M. Spence re possible court attendance tomorrow
MES	25/01/18	\$435.00	1.10	\$478.50	Telephone calls with G. Hamilton re: Avison Young recommendations, request for financing, motion date;

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
					Telephone call with G. Hamilton and D. Ullmann re: motion date and request for financing; Telephone call with J. Nemers; Exchange emails with A. Teodorescu re: motion date
MES	26/01/18	\$435.00	0.80	\$348.00	Telephone calls with G. Hamilton; Draft letter to D. Ullmann requesting debtor to draw on DIP loan; Telephone call with G. Hamilton re: same; Issue letter to D. Ullmann
SLG	29/01/18	\$795.00	0.20	\$159.00	Review letter to G Azeff; discussion with M. Spence
JTN	29/01/18	\$375.00	0.30	\$112.50	Telephone call with M. Spence re proposal and related matters
MES	29/01/18	\$435.00	2.60	\$1,131.00	Review letter from G. Azeff and draft response to same; Discussion with S. Graff; Revise and issue letter to G. Azeff; Receive email from A. Grossman and consider response re: small claims court file; Discussion with S. Graff; Telephone calls with A. Grossman and J. Nemers re: response; Telephone call with A. Teodorescu re: timing of debtor's motion; Telephone calls with G. Hamilton
SLG	30/01/18	\$795.00	0.80	\$636.00	Emails re reports of condition of temperature regulation system, leaving at FMV; discussion with M. Spence
SLG	30/01/18	\$795.00	0.30	\$238.50	Review record from Miller Thomson; discussion with M. Spence
JTN	30/01/18	\$375.00	0.10	\$37.50	Discussion with M. Spence re auction process
MES	30/01/18	\$435.00	2.70	\$1,174.50	Telephone calls with D. Ullmann and A. Teodorescu re: request for financing from DIP lender; Telephone call with G. Hamilton re: same; Further exchanges of emails and telephone calls with G. Hamilton, D. Ullmann, A. Teodorescu re: various issues relating to funding requests and motion for stay extension; Review Trustee's report; Discussions with J. Nemers and S. Graff re: auction process; Receive and review letter from

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					I. Merrow re: proofs of claim; Exchange emails with D. Ullmann and G. Hamilton re: attendance at property
SLG	31/01/18	\$795.00	0.90	\$715.50	Telephone call with C. Mills and G. Azeff re possible 9:30 attendance and motion re ownership and specific performance; follow up emails with C. Mills
SLG	31/01/18	\$795.00	0.70	\$556.50	Discussion with M Spence re position on motion and extension and review of report
MES	31/01/18	\$435.00	6.70	\$2,914.50	Numerous telephone calls and exchange of emails with G. Hamilton re: meeting with debtor, third report of proposal trustee, various issues to be addressed on motion; Telephone calls and exchange of emails with A. Teodorescu re: service of debtor's motion record and court attendance; Exchange emails with G. Benchetrit re: status of motion materials; Telephone calls and exchange of emails with C. Mills, G. Azeff, S. Graff re: Hussaini position and potential motion; Correspondence with court re: same; Review and revise third report of the proposal trustee for use on motion
SLG	01/02/18	\$795.00	0.50	\$397.50	Discussion re motion and Gowling position; consider position of Chaitons client; consider attendance
SLG	01/02/18	\$795.00	0.10	\$79.50	Email with C. Mills re position
NS	01/02/18	\$260.00	0.70	\$182.00	Delivery of documents to Commercial List Court for M. Spence
MES	01/02/18	\$435.00	3.50	\$1,522.50	Revise third report of the trustee; Exchange of emails and telephone calls with G. Hamilton re: service of third report of the trustee; Arrange for service and filing of third report of the trustee; Receive and review cross-motion of Gowlings re: lifting stay; Discussions with S. Graff re: same; Telephone calls with G. Hamilton, A. Teodorescu re: Gowlings' cross-motion and court attendance; Exchange emails with G. Benchetrit re: same

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MES	02/02/18	\$435.00	2.30	\$1,000.50	Attend at court to speak to extension motion and Gowlings' motion to lift stay; Telephone calls with G. Hamilton re: proposed next steps; Receive endorsement and order and email to G. Hamilton re: same
MES	05/02/18	\$435.00	0.20	\$87.00	Exchange emails with C. Mills re: position; Exchange emails with G. Hamilton re: call to discuss Sales Process
SLG	06/02/18	\$795.00	1.10	\$874.50	Conference call with Cushman Wakefield and Crowe Soberman re sale process, bids and communication; consider sales process; revise communication
SLG	06/02/18	\$795.00	0.20	\$159.00	Telephone call with M. Spence re timing of process
MES	06/02/18	\$435.00	1.70	\$739.50	Telephone call with Cushman Wakefield, Crowe Soberman, S. Graff re: sale process; Telephone call with H. Rizarri, G. Hamilton, S. Graff re: sale process; Telephone call with C. Mills re: Neelofar/Jamshid position; Discussion with S. Graff re: same; Voicemail to C. Mills; Receive and review email from potential purchaser re: missing documents; Exchange emails with G. Hamilton re: same
SLG	07/02/18	\$795.00	0.70	\$556.50	Review of communication to bidders from Cushman and revise same; discussion with M. Spence
MES	07/02/18	\$435.00	2.10	\$913.50	Telephone call with C. Mills re: Neelofar/Jamshid issues; Discussions with S. Graff re: various issues; Review proposed correspondence to interested parties; Telephone calls with G. Hamilton re: proposed correspondence to interested parties; Revise same; Exchange emails with N. De Cicco re: information requested by purchaser; Telephone call with S. Graff re: correspondence; Effect further revisions and email to G. Hamilton and H. Rizarri re: same; Email to C. Mills

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
SLG	08/02/18	\$795.00	0.30	\$238.50	Email from C. Mills re settlement and issues raised
MES	08/02/18	\$435.00	0.80	\$348.00	Telephone call with C. Mills; Receive and review emails from S. Graff and C. Mills re: Neelofar/Jamshid position; Receive and review emails from H. Rizarri, G. Hamilton re: email to potential purchasers; Telephone call with G. Hamilton; Receive letter from 148 re Gowlings settlement; Receive email from Crowe Soberman re: documents in data room
MES	09/02/18	\$435.00	0.60	\$261.00	Receive and review numerous emails re: correspondence with potential purchasers; Email to N. De Cicco re: same; Receive and review email from H. Rizarri re: Gowlings fees
MES	10/02/18	\$435.00	0.20	\$87.00	Receive and review request for information from purchaser and email to G. Hamilton re: same
MES	11/02/18	\$435.00	0.10	\$43.50	Receive and review further email re request for information from purchaser
SLG	12/02/18	\$795.00	0.80	\$636.00	Conference call with Crowe Soberman and with D. Ullmann re settlement with Gowlings and re position of Miller Thomson and client; discussion with M. Spence re course of action
MES	12/02/18	\$435.00	1.90	\$826.50	Receive email from potential purchaser; Email to G. Hamilton re: additional requests for documents; Discussions with S. Graff re: Gowlings settlement, Neelofar/Jamshid issues; Telephone call with D. Ullmann, H. Rizarri, G. Hamilton, S. Graff re: disallowance of Neelofar claim; Further telephone call with H. Rizarri, G. Hamilton, S. Graff re: same; Consider approach; Telephone call with S. Graff re: proposed correspondence
SLG	13/02/18	\$795.00	0.20	\$159.00	Email with H Rizarri
SLG	13/02/18	\$795.00	0.30	\$238.50	Review and comment on letter to G. Azeff and C. Mills; review disallowance

AIRD & BERLIS LLP
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LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	13/02/18	\$435.00	2.00	\$870.00	Telephone calls and exchange of emails with G. Hamilton re: disallowance of claims and boiler issues; Draft letter to G. Azeff and C. Mills re: disallowance of claims; Discuss letter and disallowances with S. Graff and G. Hamilton; Finalize and issue letter and notices of disallowance
MES	14/02/18	\$435.00	0.60	\$261.00	Telephone calls with G. Hamilton re: interference with boilers; Arrange motion date to address same; Telephone calls with G. Hamilton re: receipt of offers
MES	15/02/18	\$435.00	1.30	\$565.50	Exchange emails and telephone calls with G. Hamilton re: supplemental report, attendance to address boiler issue, receipt of offers; Exchange emails with Faskens re: receipt of offer; Receipt of offers; Telephone call with D. Ullmann re: boiler issue; Correspondence with court re: cancellation of attendance to address boiler issue
ACCT	16/02/18	\$50.00	1.00	\$50.00	Arrange the purchase of a term note; provide written authorization to bank; confirm interest calculations; record transaction in trust register; forward T5 to client; February 16, 2018: New 368 days term deposit in the amount of \$1,000,000 CAD from February 16, 2018 to February 19, 2019 at the interest rate of 0.65%
SLG	16/02/18	\$795.00	0.70	\$556.50	Telephone call with G. Hamilton and H. Rizarri; discussion with M. Spence and G. Benchetrit; review offers; consider next steps
MES	16/02/18	\$435.00	1.20	\$522.00	Telephone call with G. Hamilton re: offers; Discussion with S. Graff re: same; Conference call with S. Graff, H. Rizarri, G. Hamilton re: offers received; Exchange emails with G. Benchetrit re: same; Telephone call with S. Graff and G. Benchetrit re: offers
MES	17/02/18	\$435.00	0.10	\$43.50	Receive and review email from G. Hamilton re: financial ability to close

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	18/02/18	\$435.00	0.30	\$130.50	Receive and review emails from G. Benchetrit, S. Graff, H. Rizarri re: proposed approach to offers
SLG	19/02/18	\$795.00	0.90	\$715.50	Review emails with H. Rizarri, M. Spence, G. Hamilton and G. Benchetrit; discuss strategy re offers and communications to offerors
MES	19/02/18	\$435.00	1.60	\$696.00	Telephone calls and exchange of emails with H. Rizarri, S. Graff, G. Hamilton re: negotiation of offers received; Email to G. Benchetrit
SLG	21/02/18	\$795.00	0.50	\$397.50	Conference call with H. Rizarri, G. Hamilton and M. Spence; telephone call with G. Benchetrit
IEA	22/02/18	\$495.00	1.00	\$495.00	Engaged with reviewing draft auction rules and providing comments; Emails and discussions with S. Graff and M. Spence regarding same; Emails to and from client and M. Spence regarding same
SLG	22/02/18	\$795.00	1.00	\$795.00	Telephone call with H. Rizarri and G. Hamilton and M. Spence re auction rules
SLG	23/02/18	\$795.00	0.50	\$397.50	Review emails re property management and auction process
TOTAL:			52.00	\$26,090.50	

Name	Hours	Rate	Value
Miranda E. Spence (MES)	37.60	\$435.00	\$16,356.00
Steven L. Graff (SLG)	11.00	\$795.00	\$8,745.00
Jeremy T. Nemers (JTN)	0.70	\$375.00	\$262.50
Nicholas Smith (NS)	0.70	\$260.00	\$182.00
Accounting Department (ACCT)	1.00	\$50.00	\$50.00
Ian E. Aversa (IEA)	1.00	\$495.00	\$495.00

OUR FEE	\$26,090.50
HST at 13%	\$3,391.77

AIRD & BERLIS LLP
PAGE 8 OF ACCOUNT NO. 591090

DISBURSEMENTS**COST INCURRED ON YOUR BEHALF AS AN AGENT**

Non Taxable Cash to UBD	\$17.50
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Subject to HST

Photocopies - Local	\$83.50
Photocopies	\$122.50
Binding and Tabs	\$36.50
 Total Disbursements	\$242.50
HST at 13%	\$31.53
<hr/> AMOUNT NOW DUE	
	\$29,773.80

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

31857092.1

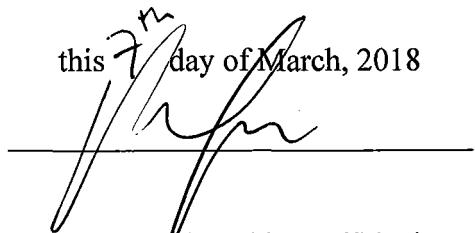
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF STEVEN L. GRAFF

Sworn before me

this 7th day of March, 2018


Commissioner for taking Affidavits, etc

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	Call to Bar	Hrly Rate	Total Time	Value
Hooke, R. T	1989	\$695.00	1.10	\$764.50
Graff, S. L	1991	2017 - \$775.00 2018 - \$795.00	28.3 11.7	\$21,932.50 \$9,301.50
Aversa, I. E.	2008	2017 - \$495.00 2018 - \$495.00	1.3	\$643.50
Spence, M. E	2011	2017 - \$395.00 2018 - \$435.00	59.7 50.5	\$23,581.50 \$21,967.50
Nemers, J. T.	2014	2017 - \$325.00 2018 - \$375.00	23.3 0.7	\$7,572.50 \$262.50
McDonald, M. G.	2016	\$295.00	0.5	\$147.50
Clerk/Student	Call to Bar	Avg Hrly Rate	Total Time	Value
Williams, P.	N/A	\$180.00	1.2	\$216.00
Hines, R.	N/A	\$250.00	3.5	\$875.00
Smith, N.	N/A	\$260.00	0.7	\$182.00
Accounting Department	N/A	\$50.00	1.0	\$50.00

**Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.*

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)
Proceedings commenced at Toronto

AFFIDAVIT OF FEES

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

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

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

*Lawyers for Crowe Soberman Inc. in its capacity as the proposal
trustee of 1482241 Ontario Limited*

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

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

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

APPROVAL AND VESTING ORDER

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

ON READING the Fourth Report and appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [REDACTED] sworn [REDACTED], 2018, filed,

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

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Proposal Trustee's Certificate"), all of the Purchased Assets, including, without limitation, the Real Property (as defined herein) listed on Schedule "B" hereto, shall vest absolutely in the Purchaser or in whomever it may direct or nominate, free and clear of and from any and all assessments or reassessments, equitable interests, preferential arrangements, rights of others, notices of lease, sub-leases, licenses, judgments, debts, liabilities, certificates of pending litigation, agreements of purchase and sale, reservation contracts, leases, title retention agreements, adverse claims, exceptions, reservation easements, encroachments, servitudes, restrictions on use, title, any matter capable of registration against title, options, rights of first offer or refusal or similar right, restrictions on voting (in the case of any voting or equity interest), right or pre-emption or privilege or any contract creating any of the foregoing, and any

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

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby

directed to enter the Purchaser and/or whomever the Purchaser may nominate or direct as the owner(s) of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

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

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

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

7. **THIS COURT ORDERS AND DECLARES** that no current or former tenants of the Real Property shall be entitled to withhold rental payments, set off any claim with respect to any over-payment of rent (including, without limitation, overpayment of additional rent), or claim

remedies as against the Purchaser with respect to any sums that may be owing to them pursuant to their respective leases, if any, for any period prior to the Closing Date (as defined in the Sale Agreement) of the Transaction (collectively, the “**Tenant Claims**”) and that the Tenant Claims shall be included as Claims subject to the provisions of paragraph 2 of this Order.

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

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

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

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

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

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY

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

PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

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

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

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

THE RECEIVER CERTIFIES the following:

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

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

Per:

Name: Hans Rizarri

A-3

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Title: Partner

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN 10088-0069 (LT)

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

SCHEDULE "C"
ENCUMBRANCES

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

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

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

b) Other Encumbrances

(1) PPSA

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

(2) Writs of Execution

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

* writ of execution registered at land titles

(3) Judgments

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

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

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

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

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

(4) Other Interests:

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

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

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

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

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

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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

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Tel: (416) 865-7726
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Miranda Spence (LSUC # 60621M)
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TAB 5

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE ~~####~~) QEEKAA ~~Y~~FRIDAY, THE #16TH
JUSTICE ~~####~~HAINY)
) DAY OF MONTHMARCH, 20YP2018

BETWEEN:

PLAINTIFF

Plaintiff

—and—

~~DEFENDANT~~

Defendant

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by [RECEIVER'S NAME] Crowe Soberman Inc., in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor") proposal trustee (in such capacity, the "**Proposal Trustee**") of 1482241 Ontario Limited (the "**Debtor**"), for an order, inter alia, approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Purchaser") dated [DATE] and appended to the Report of the Receiver dated [DATE] (the "Report") between the Proposal

Trustee, as vendor pursuant to the Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "Court") made November 3, 2017 (the "Sale Process Order"), and 1979119 Ontario Inc. ("197"), as purchaser, dated February 26, 2018 (the "Sale Agreement"), a copy of which is attached as Confidential Appendix "4" to the Fourth Report of the Proposal Trustee dated March 7, 2018 (the "Fourth Report"), as such Sale Agreement is to be assigned by 197 to AZDM Inc. (the "Purchaser") in accordance with the terms of the Sale Agreement, and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets" (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourth Report and appendices thereto, and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING] Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] 2018, filed¹.

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ Proposal Trustee is hereby authorized, ratified and approved, with such minor amendments as the Receiver³ Proposal Trustee may deem

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

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

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

necessary. The ReceiverProposal Trustee is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, or as it may direct.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a ReceiverProposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "ReceiverProposal Trustee's Certificate"⁴), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement [and, including, without limitation, the Real Property (as defined herein) listed on Schedule "B" hereto]⁴, shall vest absolutely in the Purchaser or in whomever it may direct or nominate, free and clear of and from any and all assessments or reassessments, equitable interests, preferential arrangements, rights of others, notices of lease, sub-leases, licenses, judgments, debts, liabilities, certificates of pending litigation, agreements of purchase and sale, reservation contracts, leases, title retention agreements, adverse claims, exceptions, reservation easements, encroachments, servitudes, restrictions on use, title, any matter capable of registration against title, options, rights of first offer or refusal or similar right, restrictions on voting (in the case of any voting or equity interest), right or pre-emption or privilege or any contract creating any of the foregoing, and any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the

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

"Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE] Sale Process Order and any other orders of the Court in these proceedings including, without limitation, the Administration Charge, the DIP Lenders' Charge and the Tax DIP Lenders' Charge (as those terms are defined in the Orders of Mr. Justice Hainey dated November 3, 2017 and December 20, 2017 made in these proceedings); (ii) all charges, security interests, leases or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the Land Titles Act (Ontario), or any other personal or real property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances"), which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D⁶) and (iv) any other claims against the Debtor or any of the Purchased Assets registered or otherwise existing, potential or contingent arising out of circumstances prior to the registration of this Order (the "Additional Encumbrances") and, for greater certainty, this Court orders that all of the Encumbrances and Additional Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the {Registry Division of {LOCATION}} of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver [appropriate] Land Titles Division of {LOCATION} of an Application for Vesting Order in the form prescribed by the *Land Titles*

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

*Act and/or the Land Registration Reform Act*⁶, the Land Registrar is hereby directed to enter the Purchaser and/or whomever the Purchaser may nominate or direct as the owner(s) of the subject real property identified in **Schedule "B"** hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the ReceiverProposal Trustee's Certificate all Claims, Encumbrances and Additional Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the ReceiverProposal Trustee to file with the Court a copy of the ReceiverProposal Trustee's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

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

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

~~Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~ **AND DECLARES** that no current or former tenants of the Real Property shall be entitled to withhold rental payments, set off any claim with respect to any over-payment of rent (including, without limitation, overpayment of additional rent), or claim remedies as against the Purchaser with respect to any sums that may be owing to them pursuant to their respective leases, if any, for any period prior to the Closing Date (as defined in the Sale Agreement) of the Transaction (collectively, the "**Tenant Claims**") and that the Tenant Claims shall be included in as Claims subject to the provisions of paragraph 2 of this Order.

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

(a) (a) the pendency of these proceedings;

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

(c) (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser, or as it may direct, pursuant to this Order shall be binding on any the Proposal Trustee and any other licensed insolvency trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference,

assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) that Confidential Appendices "1" to "5" of the Report, filed separately with the Court, shall be sealed in the Court File pending further Order of the Court.

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

Schedule "A"— Form of Receiver's Proposal Trustee's Certificate

Court File No. 31-2303814

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

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

~~B E T W E E N:~~

PLAINTIFF

~~Plaintiff~~

~~—and—~~

DEFENDANT

~~Defendant~~

RECEIVER'S PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

I. Pursuant to a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) filed by 1482241 Ontario Limited (the "Debtor") on October 13, 2017, Crowe Soberman Inc. was named as the Debtor's proposal trustee (in such capacity, the "Proposal Trustee").

II. A. Pursuant to an Order of the Honourable [NAME OF JUDGE] Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated [DATE OF ORDER], [NAME OF RECEIVER] was appointed as the receiver

(the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Court") made November 3, 2017 (the "Sale Process Order"), the Court approved a sale solicitation process with respect to the assets and business of the Debtor"), to be conducted by the Proposal Trustee.

III. B. Pursuant to an Order of the Court dated [DATE], [REDACTED], 2018,

the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale Agreement") between the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser") between the Proposal Trustee, as vendor pursuant to the Sale Process Order, and 1979119 Ontario Inc. ("197"), as purchaser, dated February [REDACTED], 2018 (the "Sale Agreement"). as such Sale Agreement was assigned by 197 to AZDM Inc. (the "Purchaser") in accordance with the terms of the Sale Agreement, and provided for the vesting in the Purchaser of all the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver~~Proposal Trustee~~ to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price~~purchase price~~ for the Purchased Assets; (ii) that the conditions to Closing~~closing~~ as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver~~Proposal Trustee~~ and the Purchaser; and (iii) that the Transaction has been completed to the satisfaction of the Receiver~~Proposal Trustee~~.

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

THE RECEIVER CERTIFIES the following:

1. 1.——The Purchaser has paid and the ReeeiverProposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. 2.——The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the ReeeiverProposal Trustee and the Purchaser; and

3. 3.——The Transaction has been completed to the satisfaction of the ReeeiverProposal Trustee; and

4. 4.——This Proposal Trustee's Certificate was delivered by the ReeeiverProposal Trustee at _____ [TIME] on _____ [DATE].

[NAME OF RECEIVER], CROWE
SOBERMAN INC., solely in its capacity as
Reeeiver of the undertaking, property and
assets of [DEBTOR] the proposal trustee of the
Debtor, and not in its personal capacity or in any
other capacity

Per:

Name: Hans Rizarri

Title: Partner

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

Schedule B—Purchased Assets

PIN 10088-0069 (LT)

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

SCHEDULE "C"
ENCUMBRANCES

a) Schedule C—Claims Instruments to be deleted and expunged from title to Real Property from PIN No. 10088-0069 (LT)

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

(unaffected by the Vesting Order)

Reg. No.	Registration Date	Instrument Type	Amount	Parties From	Parties To
TR80940	2001/08/13	TRANSFER		CF/REALTY HOLDINGS INC.	1482241 ONTARIO LIMITED
AT935525	2005/09/29	CHARGE	\$11,250,000	1482241 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA
AT935526	2005/09/29	NO ASSGN RENT GEN		1482241 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA
AT2418963	2010/06/21	RESTRICTION S ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	NORTH YORK FAMILY PHYSICIANS HOLDINGS INC.
AT3606967	2014/06/13	APL (GENERAL)		HUSSAINI, LAMSHID, AHMADI, NEELOFAR	
AT4222577	2016/05/19	APL AMEND ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	1482241 ONTARIO LIMITED
AT4225538	2016/05/25	CERTIFICATE		ALLEVIO CLINIC #1 TORONTO INC.	
AT4236037	2016/06/02	TRANSFER OF CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	DAN REALTY LIMITED E. MANSON INVESTMENTS LIMITED COPPERSTONE INVESTMENTS LIMITED
AT4236049	2016/06/02	NO ASSGN RENT GEN		1482241 ONTARIO LIMITED	DAN REALTY LIMITED E. MANSON INVESTMENTS LIMITED COPPERSTONE INVESTMENTS LIMITED
AT4261850	2016/06/29	NO ASSGN RENT GEN		COMPUTERSHARE TRUST COMPANY OF CANADA	1482241 ONTARIO LIMITED

<u>Reg. No.</u>	<u>Registration Date</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Parties From</u>	<u>Parties To</u>
TR80940	2001/08/13	TRANSFER		CE/REALTY HOLDINGS INC.	1482241 ONTARIO LIMITED
AT935525	2005/09/29	CHARGE	\$11,250.000	1482241 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA
AT935526	2005/09/29	NO ASSGN RENT GEN		1482241 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA
AT2418963	2010/06/21	RESTRICTION S ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	NORTH YORK FAMILY PHYSICIANS HOLDINGS INC.
AT3606967	2014/06/13	APL (GENERAL)		HUSSAINI JAMSHID AHMADI NEELOFAR	
AT4222577	2016/05/19	APL AMEND ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	1482241 ONTARIO LIMITED
AT4225538	2016/05/25	CERTIFICATE		ALLEVIO CLINIC #1 TORONTO INC.	
AT4236037	2016/06/02	TRANSFER OR CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	DAN REALTY LIMITED E. MANSON INVESTMENTS LIMITED COPPERSTONE INVESTMENTS LIMITED
AT4236049	2016/06/02	NO ASSGN RENT GEN		1482241 ONTARIO LIMITED	DAN REALTY LIMITED E. MANSON INVESTMENTS LIMITED COPPERSTONE INVESTMENTS LIMITED
AT4261850	2016/06/29	NO ASSGN RENT GEN		COMPUTERSHARE TRUST COMPANY OF CANADA	1482241 ONTARIO LIMITED
AT4349221	2016/09/21	CHARGE	\$1,420.000	1482241 ONTARIO LIMITED	JANODEE INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD.

AT4349222	2016/09/21	NO ASSGN RENT GEN		1482241 ONTARIO LIMITED	JANODEE INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD.
AT4350034	2016/09/22	NOTICE		1482241 ONTARIO LIMITED	JANODEE INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD.
AT4729622	2017/11/09	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	1482241 ONTARIO LIMITED

b) **Other Encumbrances**

(1) **PPSA**

	<u>File No./Registration No.</u>	<u>Current Debtor</u>	<u>Current Secured Party</u>	<u>Current Collateral Classification</u>	<u>Current General Collateral Description and other Particulars</u>
1.	717145821/ 20160531-1146-1862 7560 20160531-1235-1862 7580	1482241 Ontario Limited	Dan Realty Corporation 1120 Finch Avenue West Suite 100 Toronto, ON M3J 3H7 E. Manson Investments Limited 620 Wilson Avenue, Suite 401 Toronto, ON M5N 1S4 Copperstone Investments Limited 620 Wilson Avenue, Suite 401 Toronto, ON M5N 1S4	Inventory, Equipment, Accounts, Other, Motor Vehicle, Included	Expiry Date: May 31, 2019 An amendment was registered on May 31, 2016 to amend the address of the debtor.
2.	697416678/ 20140625-1012-1862 4827	1482241 Ontario Limited	Mann Engineering Ltd. 101-150 Bridgeland Avenue Toronto, ON M6A 1Z2	Inventory, Equipment, Accounts, Other No Fixed Maturity Date	Expiry Date: June 25, 2019 General Collateral Description: General security agreement

(2) **Writs of Execution**

<u>Execution No.</u>	<u>Debtor Name</u>
15-0007457* in favour of Devry Smith	1482241 Ontario Limited Alain Checroune

Frank LLP

A. Checroune Realty Corporation

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* writ of execution registered at land titles

(3) Judgments

	<u>Case Number</u>	<u>Case Opened Date</u>	<u>Case Status</u>	<u>Plaintiff/Appellant</u>	<u>Defendant/Respondent</u>	<u>Case Type</u>	<u>Amount</u>	<u>Last Event Result Information</u>
1.	<u>CV04CV279</u> <u>9730000</u>	<u>December 1, 2004</u>	<u>Inactive</u>	<u>Omni Facility Services Canada Corp.</u>	<u>1482241 Ontario Limited</u> <u>1428203 Ontario Limited</u> <u>Checroune, Alaine</u>	<u>Contract law</u>	<u>\$00.01</u>	<u>April 26, 2005 - Motion - Dismiss Action</u>
2.	<u>CV05CV281</u> <u>6110000</u>	<u>January 5, 2005</u>	<u>Inactive</u>	<u>Cvitak, Katica</u> <u>Cvitak, Lilly</u> <u>Cvitak, Slavik</u> <u>Cvitak, Steve</u>	<u>1482241 Ontario Ltd.</u> <u>Checroune, Alain</u> <u>Truserve</u> <u>Groundscare Inc.</u>	<u>Other</u>	<u>\$00.01</u>	<u>May 2, 2008 - Order Dismissing Action No SC Filed</u>
3.	<u>CV06CV323</u> <u>1050000</u>	<u>November 28, 2006</u>	<u>Inactive</u>	<u>4047257 Canada Inc.</u>	<u>1482241 Ontario Limited</u>	<u>Real Property (incl. Leases, excl. mortgage/charge)</u>	<u>\$00.01</u>	<u>May 31, 2007 - Order Dismissing Action</u>
4.	<u>CV07CV328</u> <u>3000000</u>	<u>February 23, 2007</u>	<u>Active</u>	<u>4047257 Canada Inc.</u>	<u>1482241 Ontario Limited</u>	<u>Contract Law</u>	<u>N/A</u>	<u>February 28, 2007 - Case conference</u>
5.	<u>CV10003991</u> <u>110000</u>	<u>March 15, 2010</u>	<u>Inactive</u>	<u>DTZ Barnicke Limited (formerly JJ Barnicke Limited)</u>	<u>1482241 Ontario Limited</u>	<u>Contract Law</u>	<u>\$4,000.00</u>	<u>June 27, 2011 - Order case dismissed (on consent)</u>
6.	<u>CV10004010</u> <u>730000</u>	<u>April 14, 2010</u>	<u>Inactive</u>	<u>North York Family Health</u>	<u>1482241 Ontario Limited</u>	<u>Real Property (incl. Leases, excl.)</u>	<u>0</u>	<u>November 29, 2012 - Order case</u>

	<u>Case Number</u>	<u>Case Opened Date</u>	<u>Case Status</u>	<u>Plaintiff/Appellant</u>	<u>Defendant/Respondent</u>	<u>Case Type</u>	<u>Amount</u>	<u>Last Event Result Information</u>
				Team Inc.		mortgage/charge		dismissed
7.	<u>CV10004030</u> <u>670000</u>	<u>May 13,</u> <u>2010</u>	Inactive	<u>North York</u> <u>Family Physicians</u> <u>Holdings Inc.</u>	<u>1482241 Ontario</u> <u>Limited</u>	Real Property (incl. Leases; excl. mortgage/charge)	0	<u>March 22,</u> <u>2011 -</u> <u>Judgment</u>
8.	<u>CV10004103</u> <u>300000</u>	<u>Sept 13,</u> <u>2010</u>	Active	<u>7063580 Canada</u> <u>Inc.</u>	<u>1482241 Ontario</u> <u>Limited</u>	Construction Lien NN	43,223.50	<u>September</u> <u>20, 2016 -</u> <u>Motion</u> <u>(unopposed consent)</u>
9.	<u>CV10004163</u> <u>530000</u>	<u>December</u> <u>13, 2010</u>	Inactive	<u>Constellation</u> <u>NewEnergy</u> <u>Canada Inc.</u>	<u>1482241 Ontario</u> <u>Limited</u>	Contract law	439,109.51	<u>May 9,</u> <u>2016 -</u> <u>order case</u> <u>dismissed</u>
10.	<u>CV10004165</u> <u>170000</u>	<u>December</u> <u>15, 2010</u>	Active	<u>2144688 Ontario</u> <u>Ltd.</u>	<u>1482241 Ontario</u> <u>Limited</u>	Contract law	1.00	<u>January 3,</u> <u>2018 -</u> <u>motion on</u> <u>notice</u>
								<u>January 3,</u> <u>2018 -</u> <u>order</u>
11.	<u>CV12004625</u> <u>420000</u>	<u>August</u> <u>30, 2012</u>	Active	<u>North York</u> <u>Family Physicians</u> <u>Holdings Inc.</u>	<u>1482241 Ontario</u> <u>Limited</u>	Real Property (incl. Leases; excl. mortgage/charge)	0	<u>January 3,</u> <u>2018 -</u> <u>Motion on</u> <u>notice</u>
								<u>January 3,</u> <u>2018 -</u> <u>Order</u>
12.	<u>CV14005063</u> <u>050000</u>	<u>June 13,</u> <u>2014</u>	Active	<u>Homelife Dreams</u> <u>Realty Inc.</u> <u>Ahmadi, Neelofar</u> <u>Hussaini, Jamshid</u>	<u>1482241 Ontario</u> <u>Limited</u> <u>Checroune, Alain</u>	Real Property (incl. Leases; excl. mortgage/charge)	\$100	<u>January 3,</u> <u>2018 -</u> <u>Motion on</u> <u>notice</u>
								<u>January 3,</u> <u>2018 -</u> <u>order</u>

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

	<u>Case Number</u>	<u>Case Opened Date</u>	<u>Case Status</u>	<u>Plaintiff/Appellant</u>	<u>Defendant/Respondent</u>	<u>Case Type</u>	<u>Amount</u>	<u>Last Event Result Information</u>	
19.	<u>CV15005400</u> <u>640000</u>	<u>November 9, 2015</u>	<u>Inactive</u>	<u>Holesh, Sharron</u>	<u>1482241 Ontario Limited</u> <u>Husky Landscaping Service Inc.</u>	<u>Tort personal injury (other than from MVA)</u>	<u>100,000.00</u>	<u>December 2, 2016 - Order case dismissed (on consent)</u>	
20.	<u>CV16005471</u> <u>020000</u>	<u>February 22, 2016</u>	<u>Inactive</u>	<u>Hudson Energy Canada Corp.</u>	<u>1482241 Ontario Limited</u>	<u>Collection of liquidated debt</u>	<u>137,179.74</u>	<u>April 24, 2017 - Order case dismissed (on consent)</u>	
21.	<u>CV16005532</u> <u>830000</u>	<u>May 20, 2016</u>	<u>Inactive</u>	<u>Royal Bank of Canada</u>	<u>1482241 Ontario Limited</u> <u>2144688 Ontario Ltd.</u> <u>7063580 Canada Inc.</u> <u>Allevio Clinic #1 Toronto Inc. o/a Allevio Pain Management</u> <u>Mann Engineering Ltd.</u> <u>Ahmadi, Neelofer</u> <u>Checroune, Alain</u> <u>Hussaini, Jamshid</u> <u>YYZ Plumbing Inc.</u>	<u>Real Property (incl. Leases, excl. mortgage/charge)</u>	<u>0</u>		<u>N/A</u>
22.	<u>CV16005604</u> <u>100000</u>	<u>September 13, 2016</u>	<u>Inactive</u>	<u>Himelfarb Proszanski</u>	<u>1482241 Ontario Limited</u> <u>Checroune, Alain</u>	<u>Contract Law</u>	<u>55,438.00</u>	<u>October 26, 2016 - Order case dismissed (on consent)</u>	
23.	<u>CV16005608</u> <u>150000</u>	<u>September 20, 2016</u>	<u>Active</u>	<u>YYZ Plumbing Inc.</u>	<u>1482241 Ontario Limited</u>	<u>Construction lien NN</u>	<u>0</u>	<u>September 20, 2016 - Motion</u>	

	<u>Case Number</u>	<u>Case Opened Date</u>	<u>Case Status</u>	<u>Plaintiff/Appellant</u>	<u>Defendant/Respondent</u>	<u>Case Type</u>	<u>Amount</u>	<u>Last Event Result Information</u>
								(unopposed consent)
24	<u>CV18005900</u> <u>390000</u>	<u>January</u> <u>15, 2018</u>	<u>Active</u>	<u>Steinberg, Daniel</u>	<u>1482241 Ontario Limited</u> <u>Husky Landscaping</u>	<u>Tort personal injury (other than from MVA)</u>	<u>150,000.00</u>	<u>N/A</u>
25	<u>CV18005916</u> <u>750000</u>	<u>February</u> <u>7, 2018</u>	<u>Active</u>	<u>Gowling WLG (Canada) LLP</u>	<u>1482241 Ontario Limited</u>	<u>Solicitors - Act (solicitor/client assessment)</u> <u>NN</u>	<u>0</u>	<u>July 16, 2018 - Preliminary Assessment Appointment (for SCI only)</u>

- (4) All outstanding municipal taxes, fines, interest and penalties.
- (5) Order of Justice Whitaker dated October 27, 2014 in the proceedings having Court File No. CV-14-506305.
- (6) Agreement of Purchase and Sale dated August 24, 2017 between Torgan Properties Inc and 1482241 Ontario Limited.

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SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

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

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

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

Court File No. 31-230381

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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

Steven L. Graff U.S.C. #31871W

Tel. (416) 865-7726

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Lawyers for the Proposed Trustee

Document comparison by Workshare Compare on March-07-18 4:38:50 PM

Input	Output
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Document 2 ID	interwovenSite://AB-WS1/CM/31934612/2
Description	#31934612v2<CM> - Sale Approval and Vesting Order (Duncan Mills)
Rendering set	Standard
Legend	
<u>Insertion</u>	
<u>Deletion</u>	
<u>Moved from</u>	
<u>Moved to</u>	
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<u>Format change</u>	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	
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Moved from	0
Moved to	0

TAB 6

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

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

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

ANCILLARY ORDER

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (the “**Debtor**”), for an order, *inter alia*, approving: (a) the first report of the Proposal Trustee dated October 27, 2017 (the “**First Report**”); (b) the supplemental report to the First Report of the Proposal Trustee dated November 2, 2017 (the “**Supplemental Report**”); (c) the second report of the Proposal Trustee dated December 13, 2017 (the “**Second Report**”); (d) the third report of the Proposal Trustee dated February 1, 2018 (the “**Third Report**”); (e) the fourth report of the Proposal Trustee dated March 7, 2018 (the “**Fourth Report**”); (f) the fees and disbursements of the Proposal Trustee’s counsel as reported in the Fourth Report; (g) the distribution of proceeds from the sale of the property located at 240 Duncan Mill Road, Toronto, Ontario (the “**Duncan Mill Property**”) to certain secured creditors; and (h) sealing confidential appendices 1-5 to the Fourth Report (the “**Confidential Appendices**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Reports and the appendices thereto, and the fee affidavit of Steven L. Graff sworn March 7, 2018 (the “**Fee Affidavit**”), and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [REDACTED] sworn [REDACTED], 2018, filed,

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the First Report and the activities of the Proposal Trustee described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Supplemental Report and the activities of the Proposal Trustee described therein be and are hereby approved.
4. **THIS COURT ORDERS** that the Second Report and the activities of the Proposal Trustee described therein be and are hereby approved.
5. **THIS COURT ORDERS** that the Third Report and the activities of the Proposal Trustee described therein be and are hereby approved.
6. **THIS COURT ORDERS** that the Fourth Report and the activities of the Proposal Trustee described therein be and are hereby approved.
7. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee’s counsel as described in the Fourth Report and as set out in the fee Affidavits, be and are hereby approved.
8. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, without further Order of this Court, to distribute amounts received pursuant to the APS (as defined in the Fourth Report), as follows:

- (a) to Dan Realty Corporation, E. Manson Investments Limited and Copperstone Investments Limited (collectively, the “**First Mortgagees**”), on account of the amounts owing to the First Mortgagees by the Debtor in accordance with the charge registered on title to the Duncan Mill Property as Instrument Nos. AT935525 and AT4236037 (the “**First Charge**”), up to the amount of the Debtor’s secured indebtedness owing to the First Mortgagees for principal and interest, as secured by the First Charge;
- (b) to the First Mortgagees, on account of the amounts owing to the First Mortgagees by the Debtor in accordance with the Property Tax Dip Loan (as defined in the Fourth Report), as secured by the Tax Dip Lender’s Charge (as defined in the Fourth Report), up to the amount of the Debtor’s secured indebtedness owing to the First Mortgagees for principal and interest, as secured by the Tax Dip Lender’s Charge; and
- (c) to Janodee Investments Ltd. and Meadowshire Investments Ltd. (together, the “**Second Mortgagees**”), on account of the amounts owing to the Second Mortgagees by the Debtor in accordance with the charge registered on title to the Duncan Mill Property as Instrument No. AT4349221 (the “**Second Charge**”), up to the amount of the Debtor’s secured indebtedness owing to the Second Mortgagees for principal and interest, as secured by the Second Charge, less an amount sufficient to satisfy the indebtedness owing by the Debtor to Devry Smith Frank LLP pursuant to a writ of execution registered effective December 15, 2015 (the “**Retained Amount**”). The Proposal Trustee shall hold the Retained Amount in trust pending further Order of the Court.

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

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

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

ANCILLARY ORDER

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

Court File No. 31-2303814
Case File No. 31-2303844
Estate No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)

Proceedings commenced at Toronto

MOTION RECORD OF THE PROPOSAL
TRUSTEE
(motion returnable March 16, 2018)

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trustee of 1482241 Ontario Limited*