



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00740512-00CL

HEARING DATE: FEB 03, 2026

NO. ON LIST: 2.

TITLE OF PROCEEDING: ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.; ONE BLOOR WEST TORONTO COMMERCIAL (THE ONE) GP INC. et al v. CHATEAU YORKVILLE CORP.

BEFORE: JUSTICE KIMMEL

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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ENDORSEMENT OF JUSTICE:

[1] Alvarez & Marsal Canada Inc. ("A&M"), in its capacity as Court- appointed monitor (in such capacity, the "Monitor") of One Bloor West Toronto Group (The One) Inc., One Bloor West Toronto Commercial (The One) GP Inc. and One Bloor West Toronto Commercial (The One) LP (collectively, the "Companies"), seeks two orders:

- (a) an Order (the "Stay Extension Order"), among other things, (i) extending the Stay Period (as defined below) to and including September 25, 2026, (ii) approving the Third Report of the Monitor dated January 23, 2026 (the "Third Report") and the activities of the Monitor described therein, (iii) approving the fees of the Monitor and its counsel, and (iv) approving the Gamma Settlement (as defined below); and
- (b) an Order (the "SKYGRID Holdback Release Order"), among other things, authorizing the Companies to pay the SKYGRID Holdback Amount (as defined below) to SKYGRID Construction Inc. ("SKYGRID"), the former interim construction manager for the Project (as defined below).

[2] Capitalized terms not otherwise defined in this endorsement shall have the meanings ascribed to them in the factum of the Monitor filed in support of this motion.

- [3] An expanded service list was served with this motion, to also include known contractors and subcontractors not on the regular service list. No stakeholder indicated any opposition to either of the orders sought by the Receiver prior to the hearing, and no one appeared at the hearing to raise any objections or concerns.
- [4] The court requested further submissions in relation to the SKYGRID Holdback Release Order, so that aspect of the motion is under reserve pending the court's receipt of those further written submissions. Once those further submissions have been received, the court will either render its decision with respect to that order or re-convene the hearing if there are further questions for counsel.
- [5] The requested Stay Extension Order extends the Stay Period to provide the Companies with the stability necessary to facilitate ongoing construction, with the assistance of Tridel as construction manager. It also approves the settlement of a long-standing dispute with a former subcontractor of the Project, Gamma Windows and Walls International Inc. ("Gamma"), and generally assists in moving the CCAA Proceedings towards their next phase, which is expected to involve the completion of the ongoing hotel operator selection process (the "Hotel Process") and, ultimately, the re-launch of sales of condominium units in the Project (targeted for 2028).

Extension of the Stay Period

- [6] The Initial Order dated April 22, 2025 granted a stay of proceedings up to and including August 15, 2025 (the "Stay Period"). At a hearing on August 8, 2025, the Court granted the Order (Stay Extension and Ancillary Relief) that, among other things, extended the Stay Period to and including February 12, 2026.
- [7] In the Monitor's view, the approximately seven-month extension of the Stay Period is necessary and appropriate to maintain continued stability while the Companies, through the CRO and with the assistance of Tridel and the Monitor, continue to advance construction of the Project and various other matters in connection with the development of the Project, including, without limitation, the completion of the ongoing Hotel Process and the eventual re-launch of sales of condominium units. The more detailed reasons supporting this extension are summarized at paragraph 36 of the Monitor's factum, all of which satisfy the requirements for granting the requested extension under s. 11.02(3) of the CCAA.
- [8] The Cash Flow Forecast provided in the Third Report reflects that there is sufficient funding available with the DIP Loan to fund the ongoing construction and development of the Project and to fund the ongoing demands of the CCAA Proceedings through to the end of the proposed extended Stay Period. The Monitor believes that no creditor will be materially prejudiced if the extension is granted.
- [9] The CRO, the Monitor and the Senior Secured Lenders are supportive of the request to extend the Stay Period to and including September 25, 2026, and the requested stay extension length is generally consistent with the length of the prior stay extension granted in the within proceedings. The current expectation is that construction will continue on the Project until 2028. Periodic reporting to the court in the context of requests to extend the Stay Period is appropriate in a long term restructuring such as this.
- [10] I am satisfied that the proposed stay of proceedings should be extended through and including September 25, 2026, pursuant to section 11.02(2) of the CCAA. Such an extension is necessary and appropriate and I am satisfied that the Monitor continues to be acting in good faith and with due diligence.

Approval of the Monitor's Third Report and Activities and of the Fees of the Monitor and its Counsel

- [11] The Relevant Period for the fee approvals spans from the middle of March 2025 to the beginning of January of 2026. The Third Report covers the period of activity from its last report dated November 3, 2025. The last order approving fees was granted in April of 2025.

- [12] The scope of work undertaken by the Monitor and its counsel during the Relevant Period was significant and their efforts, with the assistance of the CRO, have generated substantial benefits for the Project. These efforts are detailed in the Monitor's reports issued in the CCAA Proceedings to date and in the Monitor's factum on this motion, particularly as summarized in paragraphs 18-23.
- [13] The accounts for the Monitor and its counsel for the Relevant Period total approximately \$2,933,893.00 and \$2,746,245.50, respectively, exclusive of disbursements and applicable taxes. The Monitor and its counsel have charged standard hourly rates, as they were authorized to do. The evidence shows that the rates are consistent with market rates for similar services. The Monitor has reviewed and recommends the approval of the fees of its counsel.
- [14] The test for approval of accounts in insolvency proceedings is well-established. Fees must be reasonable in light of the overall value contributed by the Monitor and its counsel: see *Laurentian University of Sudbury*, 2022 ONSC 2927, at para. 2; *Re Nortel Networks Corporation et al*, 2017 ONSC 673, at paras. 13-15. As this Court held in *Laurentian* (at para. 9): "[t]he Court does not engage in a docket-by-docket or line-by-line assessment of the accounts as minute details of each element of a professional services may not be instructive when looked at in isolation". Rather, as the Court of Appeal for Ontario stated in *Diemer*: "[t]he focus of the fair and reasonable assessment should be on what was accomplished, not on how much time it took".
- [15] The fees of the Monitor and its counsel are high but they are commensurate with the activities described in the Monitor's reports over the Relevant Period, reflect reasonable rates and time spent on the activities undertaken, as fully set out in the fee affidavits appended to the Third Report. I am satisfied that the fees and disbursements meet the standard of the "overriding principle of reasonableness" given the nature, extent and value of the assets being administered, the complications, the time, diligence and thoroughness displayed, responsibilities assumed and results achieved (all as summarized in paragraph 43 of the Monitor's factum and in its Third Report): see *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851, at para. 45.
- [16] I am also satisfied that the Third Report and the activities of the Monitor therein should be approved. The activities have been accretive to the progress of this proceeding, and are consistent with the powers given to the Monitor in the applicable court orders. The activities of the Monitor described therein are appropriate, reasonable and are approved. This court has repeatedly recognized that there are good policy and practical reasons for the court to grant periodic orders approving the activities and fees, and the fees of its counsel: see *Target Canada Co. (Re)*, 2015 ONSC 7574 at paras. 2, 12, 22-23; *Laurentian*, at paras. 13-14.
- [17] The operative paragraph in the order approving the Third Report includes the required qualifying language that only the Monitor, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

Approval of the Gamma Settlement and Related Lien Relief

- [18] Gamma is a former subcontractor that was engaged on the Project to provide cladding and curtain wall services. During the Receivership Proceedings, Gamma delivered two Lien Notices dated May 30, 2024, and October 16, 2024 (together, the "Gamma Liens"), and filed a Notice of Motion dated June 17, 2024, regarding amounts that Gamma alleged were owing to it in respect of certain unpaid invoices, holdback amounts, and amounts claimed to be owing pursuant to a settlement agreement between Gamma and MI (collectively, the "Gamma Claims").
- [19] The hearing in respect of the First Gamma Lien Claim was originally scheduled to take place in February 2026. However, following extensive negotiations, the Companies, the Receiver and Gamma

executed minutes of settlement on January 22, 2026, that fully and finally resolve the Gamma Claims (the "Gamma Settlement"), subject to Court approval.

- [20] The court has jurisdiction to approve the Gamma Settlement pursuant to its general discretion granted by section 11 of the CCAA. In determining whether to exercise that discretion, the following factors are typically considered: (a) whether the settlement is fair and reasonable in the circumstances; (b) whether the settlement will benefit the debtor and its stakeholders generally; and (c) whether the settlement is consistent with the purpose and spirit of the CCAA: see *In Re DCL Corporation*, 2025 ONSC 4976, at para. 14. See also *Robertson v. ProQuest Information and Learning Company*, 2011 ONSC 1647, at para. 22; *Labourers' Pension Fund of Central and Eastern Canada v Sino-Forest Corporation*, 2013 ONSC 1078, at para. 49.
- [21] I accept the reasons put forward by the Monitor for the approval of the Gamma Settlement in the Third Report (at section 4.20-4.21) and summarized in the Monitor's factum, and find that it is fair and reasonable having regard to those reasons, including that:
- (a) The terms of the Gamma Settlement have been negotiated extensively with Gamma and provide for a consensual resolution to a complex dispute involving significant claims that would otherwise be subject to costly and time-consuming arbitration before a claims officer, thereby detracting from resources that could otherwise be used towards advancing the construction and development of the Project for the benefit of its stakeholders, including the Senior Secured Lenders who support the terms of the Gamma Settlement.
 - (b) The Gamma Settlement will also advance these proceedings in a manner consistent with the purpose and spirit of the CCAA by bringing finality to a long-standing dispute, eliminating the litigation risk that the Companies would be liable for the amount claimed in the Gamma Claims, providing certainty with respect to the Companies' liability, and allowing funds that had been reserved to fund potential payments to Gamma to be used for other purposes.
- [22] Gamma was originally carved out of the Holdback Release Order, at its request, because of the Gamma Claims that it was advancing, and that are now settled. Gamma has not been providing services on the Project (whether pursuant to its subcontract with MI or otherwise) for some time. As a condition to payment of the settlement amount contemplated by the Gamma Settlement, Gamma will be required to provide a statutory declaration confirming that Gamma has no unpaid sub-subcontractors. The amount of the settlement payment is less than the reserve that is being carried for the Gamma Claims.
- [23] The CRO and the Senior Secured Lenders support the Monitor's request for the court to approve the Gamma Settlement and to order that Gamma and any holdback amount owing to Gamma shall be subject to the terms of the Holdback Release Order, *nunc pro tunc*, allowing Gamma to be included among the other subcontractors that are already subject to the Holdback Release Order.
- [24] The Monitor believes that such an order will not prejudice any party. This holdback release mechanism has allowed the Monitor to pay holdback amounts to subcontractors to enable construction to proceed on the Project without interruptions in order to maximize recoveries in the receivership and now in these CCAA proceedings.
- [25] In the circumstances, ordering that Gamma, and any holdback amounts owing to Gamma, be subject to the Holdback Release Order is fair and reasonable, and will ensure that Gamma is paid amounts it has earned in accordance with an existing Court-approved holdback release mechanism that has been continued in the CCAA Proceedings pursuant to the terms of the Initial Order.
- [26] For reasons that are relevant to aspects of the Monitor's motion that remain under reserve at this time, having to do with the SKYGRID Holdback Release Order but overlapping with at least some aspects of the Holdback Release Order previously granted in this proceeding, the rationale for granting the relief in the

Stay Extension Order relating to the extension of the Holdback Release Order to Gamma at this time is based on the fact that other subcontractors similarly situated have enjoyed the benefits of that order, and now that the Gamma Claims have settled, there is no reason for it to be treated differently.

Order

[27] The Stay Extension Order dated February 3, 2026 and signed by me today is granted, with immediate effect without the necessity of issuing and entering.

Date: Feb 04, 2026

A handwritten signature in cursive script, appearing to read "Kimmel J.", written in dark ink.

Jessica Kimmel