

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
ONE BLOOR WEST TORONTO GROUP (THE ONE) INC. AND
ONE BLOOR WEST TORONTO COMMERCIAL (THE ONE) GP INC.**

**FIRST REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

JULY 30, 2025

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APPENDICES

- Appendix “A” – Initial Order dated April 22, 2025
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- Appendix “D” – Updated Cash Flow Forecast

1.0 INTRODUCTION

- 1.1 On October 18, 2023 (the “**Receivership Date**”), pursuant to the Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties (collectively, the “**Property**”) of One Bloor West Toronto Commercial (The One) LP (f/k/a Mizrahi Commercial (The One) LP) (the “**Beneficial Owner**”), One Bloor West Toronto Group (The One) Inc. (f/k/a Mizrahi Development Group (The One) Inc.) (the “**Nominee**” and together with the Beneficial Owner, the “**Owner**”), and One Bloor West Toronto Commercial (The One) GP Inc. (f/k/a Mizrahi Commercial (The One) GP Inc.) (“**GP Inc.**” and together with the Nominee and the Beneficial Owner, the “**Companies**”) acquired for, or used in relation to, a business carried on by the Companies, including, without limitation, in connection with the development of an 85-storey condominium, hotel and retail tower (the “**Project**”) located on the southwest corner of Yonge Street and Bloor Street West in Toronto, Ontario.¹
- 1.2 The principal purpose of the receivership proceedings (the “**Receivership Proceedings**”) was to bring stability and appropriate oversight to the Project, while preserving and protecting the Property to maximize recoveries from the Project for the benefit of stakeholders, including by ensuring the ongoing construction of the Project. During the Receivership Proceedings, the Receiver facilitated such construction, including by, among

¹ All capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Initial Order or the Joint Report (each as defined herein).

other things: (i) engaging SKYGRiD Construction Inc. (“**SKYGRiD**”) to take over from Mizrahi Inc. (“**MI**”) as construction manager of the Project; and (ii) seeking approval of several Court orders, including the Lien Regularization Order, the Construction Continuance Order and the Holdback Release Order, all of which contributed to advancing and facilitating the ongoing construction of the Project.

1.3 In June 2024, the Court in the Receivership Proceedings approved a sale and investment solicitation process (the “**SISP**”) in respect of the Project. The SISP culminated in a transaction with Tridel Builders Inc. and certain of its affiliates (collectively, “**Tridel**”) pursuant to which Tridel would be engaged as the project manager, construction manager and sales manager to complete the construction, development and realization of value from the Project (the “**Transaction**”), subject to Court approval of the Transaction and the transition of the Receivership Proceedings to proceedings commenced under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**” and the proceedings commenced thereunder being the “**CCAA Proceedings**”).

1.4 On April 22, 2025, at the joint hearing of an application brought by the Receiver on behalf of the Companies under the CCAA and a motion brought by the Receiver in the Receivership Proceedings (the “**Transition Hearing**”), the Court granted three orders:

(i) an order (the “**Initial Order**”), a copy of which is attached hereto as **Appendix “A”**, which, among other things:

(a) granted the Companies protection under the CCAA, including extending the benefits of the Initial Order to the Beneficial Owner;

- (b) appointed A&M as Monitor of the Companies in the CCAA Proceedings (in such capacity, the “**Monitor**”);
- (c) continued certain super-priority charges on the Property granted in the Receivership Proceedings and granted certain additional super-priority charges on the Property and provided for the respective priority ranking for such charges;
- (d) authorized the Companies to enter into and borrow up to \$615 million in funds under the DIP Credit Agreement (as defined below);
- (e) appointed FAAN Advisors Group Inc. as Chief Restructuring Officer (in such capacity, the “**CRO**”) of the Companies;
- (f) continued certain orders granted in the Receivership Proceedings, including, among others, the Lien Regularization Order, the Construction Continuance Order and the Holdback Release Order, with such orders to continue in full force and effect in the CCAA Proceedings, *mutatis mutandis*; and
- (g) granted a stay of proceedings in favour of the Companies, the Monitor and any Developer for matters arising after the Receivership Date, or affecting the Business or the Property, up to and including August 15, 2025 (the “**Stay Period**”);

- (ii) an order (the “**Transaction Approval Order**”) which, among other things, approved the Transaction contemplated by the Omnibus Agreement among the Owner and Tridel made as of April 3, 2025 (the “**Omnibus Agreement**”), and each of the Project Management and Services Agreement (the “**PMSA**”), the Construction Management Agreement and the Residential Sales Agreement appended as schedules thereto (collectively, including the Omnibus Agreement, the “**Definitive Transaction Agreements**”); and
- (iii) an order (the “**Discharge Order**”) which, among other things, discharged A&M as Receiver, provided that A&M shall remain Receiver for the performance of such incidental matters as may be required to complete the administration of the Receivership Proceedings.

1.5 During the Receivership Proceedings, the Receiver filed eight reports and four supplemental reports with the Court, including most recently the Joint Eighth Report of the Receiver and Pre-Filing Report of A&M as Proposed Monitor dated April 3, 2025 (the “**Joint Report**” and, together with all other reports filed in the Receivership Proceedings, the “**Prior Reports**”). A copy of the Joint Report (without appendices) is attached hereto as **Appendix “B”**.

1.6 Additional background information regarding the Companies and the Project, including an overview of the circumstances leading to the appointment of the Receiver and the transition of the Receivership Proceedings to the CCAA Proceedings, is contained in the Prior Reports and in the application record dated October 17, 2023 (the “**Application Record**”) of the Companies’ senior secured lenders, KEB Hana Bank as trustee of each of IGIS

Global Private Placement Real Estate Fund No. 301 and IGIS Global Private Placement Real Estate Fund No. 434 (together with KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530, the “**Senior Secured Lenders**”).

- 1.7 The Application Record, the Prior Reports and other Court-filed documents and notices in the Receivership Proceedings and the CCAA Proceedings are available on the Monitor’s case website at: www.alvarezandmarsal.com/theone (the “**Case Website**”).

2.0 PURPOSE OF THIS REPORT

- 2.1 The purpose of this First Report of the Monitor (the “**First Report**”) is to:

- (i) provide an update on the status of construction of the Project and the transition of construction and project management to Tridel;
- (ii) provide an update on certain ongoing matters in the CCAA Proceedings, including the status of the Hotel Process (as defined below);
- (iii) provide information on the Companies’ cash flow results for the 15-week period ended July 25, 2025, and the Companies’ projected cash flow requirements for the eight-month period from July 1, 2025, to February 28, 2026;
- (iv) provide an overview of the relief sought pursuant to the proposed Order (Stay Extension and Ancillary Relief) (the “**Stay Extension Order**”) which, among other things:
 - (a) extends the Stay Period to and including February 12, 2026; and

- (b) orders and directs the Accountant of the Ontario Superior Court of Justice to pay out the Cult Lien Security (as defined below) to the Nominee;
- (v) describe the Monitor's activities since the date of the Joint Report; and
- (vi) provide an overview of the Monitor's conclusions and recommendations in connection with the foregoing.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this First Report, the Monitor has obtained and relied upon unaudited financial information, books and records, and other documents of the Companies, and has held discussions with, and has been provided with, certain additional information from the Receiver's project manager during the Receivership Proceedings, Knightsbridge Development Corporation ("**KDC**"), the CRO, the Senior Secured Lenders' cost consultant, Finnegan Marshall Inc. (the "**Cost Consultant**"), Tridel, and certain other parties as referenced herein (collectively, the "**Information**").

3.2 In preparing this First Report, except as otherwise described herein:

- (i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, expresses no opinion

or other form of assurance contemplated under CASs in respect of the Information;
and

- (ii) some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.3 Future oriented financial information referred to in this First Report was prepared based on estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results may vary from the projections. Even if the assumptions materialize, the variations in such future-oriented financial information could be significant.

3.4 Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

4.0 UPDATES SINCE THE DATE OF THE JOINT REPORT

Transition of Construction Management and Project Management to Tridel

4.1 As described in the Joint Report, prior to the approval of the Transaction, the Receiver worked with Tridel and SKYGRiD to prepare a comprehensive construction and project management transition plan to ensure that Tridel would have all requisite information and systems in place to allow it to take over as construction manager and project manager of the Project in an efficient manner upon the effective date of its engagement.

- 4.2 Promptly following the approval of the Transaction, the Monitor, the CRO, SKYGRiD, and Tridel worked together to complete the steps contemplated by the transition plan. As a result of these efforts, on May 1, 2025 (the “**Effective Date**”), the Transaction was successfully implemented in accordance with the Definitive Transaction Agreements and the Transaction Approval Order, with Deltera Inc. becoming the project manager of the Project (the “**Project Manager**”), Deltera Construction Limited becoming the construction manager of the Project (the “**Construction Manager**”), and Del Realty Incorporated becoming the sales manager of the Project.
- 4.3 Transition-related activities undertaken by the Receiver up to the date of the Joint Report are described therein. Following the date of the Joint Report, transition-related activities involving the Monitor have included, among other activities:
- (i) with the assistance of SKYGRiD, KDC, and the Cost Consultant, continuing to provide Tridel with various Project-related information, and assisting the Construction Manager and the Project Manager in completing their respective transition-related tasks;
 - (ii) facilitating the assignment and/or novation of subcontracts from SKYGRiD to the Construction Manager;
 - (iii) contacting trades and consultants to notify them of the construction and project management transition, changes in invoicing arrangements, and responding to inquiries with respect to the transition;

- (iv) arranging for the preparation of a report from the Cost Consultant to capture total costs incurred by SKYGRiD prior to the Effective Date;
- (v) assisting the Construction Manager with the backing-up of Project data and migrating same from the construction management software system used by SKYGRiD to the system used by the Construction Manager;
- (vi) facilitating the assignment of the lease of the Project's site office from SKYGRiD to the Construction Manager, the installation of new security cameras at the Project, and the changing of alarm codes in respect of same;
- (vii) attending calls with the Companies' insurance advisors to arrange for the addition of Tridel to certain insurance policies, update information where required, and address any other transition-related insurance matters;
- (viii) confirming the transfer of the Notice of Project provided to the Ministry of Labour, Immigration, Training and Skills Development from SKYGRiD to the Construction Manager;
- (ix) communicating with Tarion Warranty Corporation ("**Tarion**") and its legal counsel regarding matters related to warranty, bonding and deposit insurance in connection with the transition of construction and project management;
- (x) communicating with the Home Construction Regulatory Authority ("**HCRA**") regarding Tridel's engagement; and

(xi) with the assistance of Tridel, proactively communicating with and responding to inquiries from trades, consultants, suppliers and other stakeholders, including purchasers (each a “**Unit Purchaser**”) of condominium units in the Project (each a “**Unit**”) and the City of Toronto, regarding transition matters.

4.4 The transition of construction and project management to Tridel was carried out smoothly and efficiently, with construction of the Project progressing on schedule and without any significant disruption among the trades and consultants.

Construction Update

4.5 Construction of the residential component of the Project (the “**Residential Component**”)² has continued uninterrupted since the Receivership Date, including since the commencement of the CCAA Proceedings, with funding provided by the Senior Secured Lenders.

4.6 As previously reported, as at the Receivership Date, tower slabs in the building superstructure were poured to level 42 and window curtainwall (the façade) on the building envelope was installed through level 11.

4.7 As of the date of this First Report, the forming of the Project’s tower slabs is fully complete through level 85. The forming of the remaining structural slabs and the installation of the structural steel and building envelope remains ongoing. Since the Receivership Date, 53

² The Residential Component is comprised of the residential Units occupying levels 17 through 85 of the Project, and the commercial component of the Project is comprised of four underground parking levels and 16 aboveground levels, including the retail space on the ground floor, the food and beverage spaces on level three, and the spaces designed for a premium hotel on levels five and seven through 16 (the “**Hotel Component**”).

floors of curtainwall have been installed, and the curtainwall is now completed through to level 64.

- 4.8 On June 24, 2025, the Project reached a significant milestone by achieving a structural height of 300 metres, officially becoming the first “supertall skyscraper” in Canada. Work on the remaining structural elements of the Project continues to advance on schedule, with the installation of the curtainwall and work on the Project’s top-of-house steel deck to be substantially complete by the fall of 2026.

Holdback Update

- 4.9 On June 6, 2024, the Court granted the Holdback Release Order in the Receivership Proceedings to provide a mechanism to allow the Receiver to pay certain Holdback Amounts³ to subcontractors for work performed during the period in which MI served as general contractor of the Project, as well as any additional holdback amounts owing to a subcontractor who fully completed its scope of work in relation to the Project, as determined by the Receiver. The Holdback Release Order was continued in the CCAA Proceedings in accordance with the Initial Order and, accordingly, the Monitor has continued to facilitate the payment of holdback amounts in accordance with the Holdback Release Order following the transition to the CCAA Proceedings.
- 4.10 To date, a total of approximately \$4.2 million (exclusive of HST) has been paid to ten Holdback Parties. The remaining Holdback Amounts of approximately \$8.8 million

³ “**Holdback Amounts**” are defined in the Second Report of the Receiver dated May 28, 2024, and include the approximately \$13 million in holdback amounts that were or are owing to 38 subcontractors (the “**Holdback Parties**”) from whom statutory holdback was retained during the period in which MI was the general contractor of the Project.

(exclusive of HST) owing to 28 additional Holdback Parties continue to be held in a segregated holdback account.

- 4.11 Following the Effective Date, the holdback amounts retained during the period in which SKYGRiD served as construction manager, together with holdback amounts retained in the post-Effective Date period, have been and will continue to be held in a separate holdback account. All amounts held in the holdback accounts (which include, for greater certainty, all holdback amounts from the MI era, the SKYGRiD era and the Tridel era) (collectively, the “**Project Holdback**”) will continue to be released, as appropriate, pursuant to the Holdback Release Order or otherwise in accordance with the *Construction Act* (Ontario) as it existed immediately prior to July 1, 2018, or as may be approved by this Court in the future.

Hotel Process and CSA Plan

- 4.12 As detailed in the Joint Report, the selection and engagement of a new operator of the Hotel Component is a necessary step to finalize the plan in respect of the treatment of Units in the Project (the “**CSA Plan**”) and for renewed marketing of the Units to proceed.
- 4.13 Prior to the Effective Date, the Receiver, in consultation with Tridel and the Senior Secured Lenders, commenced the hotel operator selection process (the “**Hotel Process**”) and engaged Jones Lang LaSalle Americas, Inc., an experienced hotel investment broker, as hotel advisor (the “**Hotel Advisor**”) to assist in this process. In accordance with the terms of the PMSA, the Project Manager has assisted and provided oversight during the Hotel Process, and will make a formal recommendation to the Owner with respect to same.

- 4.14 As of the date of this First Report, the Hotel Process is well advanced and remains ongoing. The Hotel Advisor has received initial non-binding proposals from several interested hotel operators (collectively, the “**Hotel Brand Proposals**”).
- 4.15 The Hotel Brand Proposals are currently being reviewed and evaluated by the Project Manager, in consultation with the Monitor, the CRO and the Senior Secured Lenders. This evaluation includes, among other considerations: (i) assessing how each of the hotel brands can contribute to maximizing the overall value of the Hotel Component and the Residential Component; (ii) reviewing the programming and design modifications proposed in the Hotel Brand Proposals; and (iii) analyzing the potential impact of the Hotel Brand Proposal on the Tridel Reconfiguration Plan.
- 4.16 Based on information gathered through the Hotel Process to date, including: (i) feedback received in the Hotel Brand Proposals and through meetings and discussions held with each of the participating hotel operators; (ii) supplemental market research and intelligence, including from a third party market research consultant engaged by the Companies to prepare a report on current market conditions and strategies to best position a luxury hotel brand within the Project to maximize value; and (iii) ongoing review and analysis of the Project (including the Hotel Component) and current market conditions (which analysis continues to be advanced with the Hotel Advisor and Tridel), the Monitor anticipates there may be further changes to the Tridel Reconfiguration Plan following completion of the Hotel Process and selection of the hotel operator.
- 4.17 The Monitor understands that the Project Manager anticipates making a recommendation to the Owner as to the superior Hotel Brand Proposal in the near term. In the meantime,

the Project Manager has continued its work in respect of the development of the CSA Plan and will finalize its recommendation to the Owner regarding same upon completion of the Hotel Process, in consultation with the Monitor, the CRO and the Senior Secured Lenders. As previously reported, the CSA Plan will be subject to approval by the Court.

Name Changes

- 4.18 On May 1, 2025, pursuant to paragraph 44 of the Initial Order, the legal names of the Companies were changed as follows:

| Former Name | Updated Name |
|--|---|
| Mizrahi Commercial (The One) LP | One Bloor West Toronto Commercial (The One) LP |
| Mizrahi Development Group (The One) Inc. | One Bloor West Toronto Group (The One) Inc. |
| Mizrahi Commercial (The One) GP Inc. | One Bloor West Toronto Commercial (The One) GP Inc. |

- 4.19 In accordance with paragraph 45 of the Initial Order, on May 2, 2025, the Monitor served on the Service List and filed with the Court a Monitor's certificate specifying the Companies' updated names, whereupon the title of the within CCAA Proceedings was revised to reflect the updated names of the Companies.

Gamma Windows

- 4.20 As previously reported by the Receiver, in May 2024, Gamma Windows and Walls International Inc. ("**Gamma**") delivered a Lien Notice in respect of a Lien Claim in the amount of \$1,839,681.92 for the period from April 24, 2019, to May 30, 2024 (the "**First Gamma Lien Claim**"). In October 2024, Gamma delivered a second Lien Notice in respect of a Lien Claim in the amount of \$8,593,709.89 for the period from April 24, 2019, to

October 16, 2024 (the “**Second Gamma Lien Claim**” and together with the First Gamma Lien Claim, the “**Gamma Lien Claims**”). The Gamma Lien Claims relate to amounts that Gamma alleges are owing to it in respect of certain unpaid invoices, holdback amounts, and amounts pursuant to a settlement agreement entered into between Gamma and MI.

- 4.21 In accordance with the Lien Claims Resolution Order, the Receiver referred the Gamma Lien Claims to a Claims Officer for determination. The proceedings before the Claims Officer are ongoing, with a hearing in respect of the First Gamma Lien Claim having been adjourned to February 2026, at Gamma’s request.⁴

Cult Iron Works

- 4.22 In December 2023, Cult Iron Works Limited (“**Cult**”) registered a lien claim on title to the Project in the amount of \$444,669.05 (the “**Cult Lien**”). To vacate the Cult Lien from title, the Receiver deposited security in the form of certified funds with the Accountant of the Ontario Superior Court of Justice in Court File No. CV-24-00712684-0000, bearing Accountant’s Account No. 574547, in the total amount of \$494,669.05 (being the amount of the Cult Lien, plus the sum of \$50,000.00 as security for costs) (the “**Cult Lien Security**”). Cult was subsequently deemed to have provided a Lien Notice under the Lien Regularization Order.
- 4.23 The Cult Lien related to amounts Cult alleged were owing to it in respect of certain holdback amounts (the “**Cult Holdback**”) and a claim in respect of the prolongation of

⁴ The Receiver requested that a motion to strike the Second Gamma Lien Claim be heard prior to the hearing of the First Gamma Lien Claim. In response to such request, the Claims Officer issued a direction finding that the motion to strike the Second Gamma Lien Claim did not need to be heard prior to the hearing of the First Gamma Lien Claim.

Cult's services resulting from delays in the Project's construction schedule (the "**Prolongation Claim**"). The Receiver and Cult settled the issues relating to the Cult Holdback such that only the Prolongation Claim remained at issue at the time of the transition from the Receivership Proceedings to the CCAA Proceedings.

4.24 On July 28, 2025, a settlement agreement was entered into among Cult, the Companies and the Monitor that fully and finally settled the Cult Lien and all Cult claims, including the Prolongation Claim (the "**Settlement**"). As part of the Settlement, Cult has consented to the release of the Cult Lien Security to the Companies. A copy of the Settlement (with the Settlement amount redacted) is attached as **Appendix "C"** hereto.

4.25 As a result of the Settlement, the Monitor, on behalf of the Companies, seeks the release of the Cult Lien Security, which, at present, forms part of the Lien Security (as defined in the Lien Regularization Order). The proposed Stay Extension Order contemplates that the Accountant of the Ontario Superior Court of Justice shall be ordered and directed to pay out the Cult Lien Security to the Nominee, and that the Cult Lien Security shall no longer form part of the Lien Security such that it is available for use by the Companies in accordance with their cash-flow forecast. The Monitor is of the view that such relief is appropriate in the circumstances, including because: (i) the Settlement fully and finally resolves the Cult Lien; and (ii) the remaining Lien Claimants shall continue to benefit from the Lien Charge in accordance with the terms of the Lien Regularization Order.

5.0 CASH FLOW RESULTS RELATIVE TO FORECAST

5.1 Construction of the Project remains ongoing and continues to be funded through the debtor-in-possession credit agreement made as of April 3, 2025 (the "**DIP Credit Agreement**")

between, among others, the Companies and KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530, as lender. Pursuant to paragraph 31 of the Initial Order, the Companies are authorized to borrow up to \$615 million by way of the DIP Credit Agreement (the “**DIP Facility**”).

- 5.2 Actual receipts and disbursements for the period from April 12, 2025, to July 25, 2025 (the “**Reporting Period**”), as compared to the cash flow forecast attached as Appendix “I” to the Joint Report (the “**Cash Flow Forecast**”), are summarized in the following table:

| Cash Flow Variance Report | | | |
|--|-----------------|-----------------|-----------------|
| Cumulative 15-Week Period Ended July 25, 2025 | | | |
| <i>(CA \$000's, Unaudited)</i> | Actual | Forecast | Variance |
| Total Receipts | 2,583 | 6,323 | (3,740) |
| <u>Disbursements:</u> | | | |
| Construction Costs | (30,253) | (44,419) | 14,166 |
| Design Related Costs | (649) | (3,136) | 2,487 |
| Project & Sales Management | (1,732) | (1,919) | 187 |
| General, Administrative & Other | (594) | (358) | (236) |
| Land & Development Costs | (1,678) | (1,357) | (321) |
| Professional Fees | (5,951) | (6,217) | 266 |
| Total Disbursements | (40,857) | (57,406) | 16,549 |
| Net Cash Flow | (38,274) | (51,083) | 12,809 |
| <u>Project Accounts:</u> | | | |
| Opening Cash | 63,862 | 63,708 | 154 |
| Net Cash Flow | (38,274) | (51,083) | 12,809 |
| DIP Facility Advances | 33,000 | 45,000 | (12,000) |
| Ending Cash Balance (Project Accounts) | 58,588 | 57,625 | 963 |

5.3 During the Reporting Period:

- (i) the negative variance in receipts of approximately \$3.7 million is due to a timing delay in the receipt of HST refunds and is expected to reverse in the coming weeks; and
- (ii) the positive variance in disbursements of approximately \$16.5 million is primarily due to the conservative assumptions used in timing of the forecasted construction payments in the development of the Cash Flow Forecast. Accordingly, these variances are considered to be timing variances and are expected to reverse in future periods.

5.4 As at July 25, 2025, the Companies' cash balance was approximately \$58.6 million, comprised of: (i) approximately \$45.2 million held in the Monitor's trust account for the benefit of the Companies; (ii) approximately \$400,000 held in an account in the name of the Beneficial Owner as a funding reserve for the benefit of the Project, to be used for the payment of ongoing Project costs; and (iii) approximately \$13.0 million held in the Monitor's segregated trust account as the claim reserve on account of the Unresolved Receivership Claims pursuant to paragraph 23(j) of the Initial Order (collectively, the **"Project Accounts"**).

5.5 In addition to the funds held in the Project Accounts, an additional \$19.1 million is held in the holdback accounts as at July 25, 2025, representing the Project Holdback.

5.6 As at July 25, 2025, \$33 million (exclusive of accrued interest) has been drawn under the DIP Facility to fund ongoing costs of the Project and the cost of the CCAA Proceedings.

6.0 UPDATED CASH FLOW FORECAST

- 6.1 In connection with the proposed extension of the Stay Period, the Companies, through the CRO and with the assistance of the Monitor, have prepared an updated cash flow forecast (the “**Updated Cash Flow Forecast**”) for the eight-month period from July 1, 2025, to February 28, 2026 (the “**Updated Cash Flow Period**”). A copy of the Updated Cash Flow Forecast, together with a summary of assumptions are attached hereto as **Appendix “D”**. A summary of the Updated Cash Flow Forecast is set out in the following table.

| Updated Cash Flow Forecast | \$000s |
|---|--------------------|
| Total Receipts | \$ 13,633 |
| <u>Disbursements:</u> | |
| Construction Costs | (81,977) |
| Design Related Costs | (5,812) |
| Project & Sales Management | (3,754) |
| General, Administrative & Other | (3,157) |
| Land & Development Costs | (18,987) |
| Professional Fees | (9,058) |
| Total Disbursements | (\$122,746) |
| Net Cash Flow | (\$109,113) |
| <u>Project Accounts</u> | |
| Opening Cash | 59,524 |
| Net Cash Flow | (109,113) |
| DIP Facility Advances | 101,000 |
| Ending Cash Balance (Project Accounts) | \$ 51,410 |

- 6.2 The Monitor notes the following with respect to the Updated Cash Flow Forecast:
- (i) receipts are primarily related to HST refunds. No receipts from the sale of Units or related deposits are contemplated during the Updated Cash Flow Period;

- (ii) disbursements are forecast based on the anticipated costs to be incurred during the Updated Cash Flow Period as contemplated in the current cost to complete and construction schedule;
- (iii) professional fees include the fees of the Monitor, its legal counsel, the CRO, legal counsel to the Senior Secured Lenders, and other Project advisors; and
- (iv) based on the Updated Cash Flow Forecast, the Companies are forecast to have sufficient liquidity through the Updated Cash Flow Period.

7.0 EXTENSION OF THE STAY PERIOD

7.1 Pursuant to the Initial Order, the Stay Period is set to expire on August 15, 2025. Pursuant to the proposed Stay Extension Order, the Monitor, on behalf of the Companies, is seeking an extension of the Stay Period to and including February 12, 2026.

7.2 The Monitor is of the view that the proposed extension of the Stay Period is appropriate for the following reasons:

- (i) the extension of the Stay Period is required to provide the stability necessary for continuing construction of the Project and for the Companies, through the CRO and with the assistance of the Monitor, to advance various other matters in connection with the development of the Project, including, without limitation, the completion of the Hotel Process and the development and finalization of the CSA Plan;

- (ii) the amount available under the DIP Facility is projected to provide the Companies with sufficient liquidity to fund the ongoing construction of the Project and these CCAA Proceedings through to the end of the proposed extended Stay Period; and
- (iii) the Companies, under the oversight of the CRO and the Monitor, have acted and continue to act in good faith and with due diligence to advance the CCAA Proceedings.

8.0 ACTIVITIES OF THE MONITOR

8.1 In addition to those activities described elsewhere in this First Report, the Monitor's activities since the date of the Joint Report have included, among other things, the following:

- (i) preparing for and attending the Transition Hearing in connection with the Companies' application for the Initial Order and the Transaction Approval Order, and the Receiver's motion for the Discharge Order;
- (ii) coordinating the uploading on the Case Website of all Court-filed materials in respect of the Transition Hearing;
- (iii) preparing for the MI Payment Motion and the Receiver's Cross Motion, including conducting examinations in connection therewith, and attending the related Court hearing held over the course of three days from June 17 to 19, 2025;
- (iv) working with the Project Manager to identify potential retail leasing brokers to assist in the selection of retail tenants for the Project;

- (v) liaising with the Holdback Parties and administering the release of certain Holdback Amounts to Holdback Parties in accordance with the Holdback Release Order;
- (vi) together with legal counsel, continuing to advance discussions with Mappro Realty Inc. regarding the settlement in principle of the Mappro Action and the form of settlement documentation underlying same, which settlement is expected to be finalized in the near term;
- (vii) together with Tridel and the Hotel Advisor, participating in meetings and discussions with various hotel operators involved in the Hotel Process;
- (viii) monitoring and responding to stakeholder and other inquiries made via the Monitor's email account and telephone hotline for these CCAA Proceedings;
- (ix) communicating on a regular basis with Tridel to discuss, among other things: (a) the day-to-day management and oversight of the construction of the Project; (b) matters related to safety and security on the Project site; (c) matters related to the trades, consultants and suppliers engaged on the Project; and (d) strategic advice in relation to construction and design activities;
- (x) together with Tridel, attending site meetings and participating in discussions and meetings with key trades, consultants and suppliers engaged on the Project;
- (xi) attending at the site office to meet with senior management and employees of SKYGRiD and Tridel, and consultants, trades and other suppliers to the Project;

- (xii) communicating with the CRO in respect of monthly accounting services for the Project and other ongoing matters related to the Project and its advancement;
- (xiii) communicating with Westmount Guarantee Services Inc. and Aviva Insurance Company of Canada through their legal counsel regarding matters related to the return of insured deposits for Unit Purchasers whose CSAs have been disclaimed to date;
- (xiv) liaising with the Cost Consultant in respect of various construction matters including, but not limited to, budgets, construction cost estimates and pricing, and trade and supplier contract negotiations;
- (xv) together with Tridel and its insurance advisor, continuing to review the Companies' insurance coverage, and working with the Project's insurance broker to address insurance related matters and to ensure that appropriate insurance coverage is in place;
- (xvi) consenting to the Companies' disclaimer of the lease agreement entered into by the Nominee for the leased premises at 625 Church Street where "mock-up" hotel suites had been built in connection with the prior hotel agreement that was disclaimed in the Receivership Proceedings;
- (xvii) communicating with the Canada Revenue Agency regarding the CCAA Proceedings and providing assistance to the CRO in respect of the filing of required HST returns;


- (xviii) together with Tridel, the CRO, and/or the Monitor's legal counsel, attending to various municipal and real property tax matters relating to the Project;
- (xix) communicating with the HCRA about the CCAA Proceedings, the renewal of the Nominee's license, and the Project generally, including in respect of the Transaction;
- (xx) with the assistance of the CRO, facilitating the filing of an application to change the name of the Nominee as shown on title to the Project so that it reflects the Nominee's updated legal name, which application has been certified by the Land Registry Office;
- (xxi) together with its legal counsel, continuing to investigate certain potential claims of the Companies and advance certain litigation matters and disputes involving current and former contractors and subcontractors engaged on the Project, including those who have filed Lien Notices pursuant to the Lien Regularization Order;
- (xxii) communicating with Tarion in respect of the Tridel Reconfiguration Plan and the potential impacts of same on Unit Purchasers and warranty requirements, and regarding certain other Project related matters;
- (xxiii) continuing to respond to inquiries from Unit Purchasers; and
- (xxiv) with the assistance of its legal counsel, preparing this First Report.

9.0 CONCLUSIONS AND RECOMMENDATIONS


9.1 For the reasons set out in this First Report, the Monitor is of the view that the relief requested in the proposed Stay Extension Order is appropriate, and respectfully requests that the Court grant the relief sought.

All of which is respectfully submitted to this Court this 30th day of July, 2025.

Alvarez & Marsal Canada Inc., solely in its capacity as Monitor of One Bloor West Toronto Commercial (The One) LP, One Bloor West Toronto Group (The One) Inc., and One Bloor West Toronto Commercial (The One) GP Inc., and not in its personal or corporate capacity

Per: 

Name: Stephen Ferguson
Title: Senior Vice-President

Per: 

Name: Josh Nevsky
Title: Senior Vice-President

APPENDIX “A”
INITIAL ORDER DATED APRIL 22, 2025



Court File No. CV-25-00740512-00CL

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

THE HONOURABLE

)

TUESDAY, THE 22ND

)

JUSTICE OSBORNE

)

DAY OF APRIL, 2025

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MIZRAHI DEVELOPMENT GROUP
(THE ONE) INC. AND MIZRAHI COMMERCIAL (THE
ONE) GP INC.**

Applicants

INITIAL ORDER

THIS APPLICATION, made by Mizrahi Development Group (The One) Inc. and Mizrahi Commercial (The One) GP Inc. (the “**Applicants**” and, together with Mizrahi Commercial (The One) LP, each, a “**Company**” and collectively, the “**Companies**”), by their receiver and manager, Alvarez & Marsal Canada Inc. (“**A&M**” and in such capacity, the “**Receiver**”), appointed pursuant to the Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 18, 2023 (the “**Receivership Order**” and the proceedings commenced thereunder being the “**Receivership Proceedings**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an Initial Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application of the Receiver dated April 3, 2025, the Joint Eighth Report of the Receiver and Pre-Filing Report of A&M as proposed Monitor dated April 3,

2025 (the “**Joint Report**”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Receiver and A&M as proposed Monitor, counsel for KEB Hana Bank as trustee of each of IGIS Global Private Placement Real Estate Fund No. 301, IGIS Global Private Placement Real Estate Fund No. 434, and the DIP Lender (as defined below), counsel for the Tridel Parties, and counsel for the other parties appearing as noted on the counsel slip, no one else appearing for any party although duly served, and on reading the consent of A&M to act as monitor (in such capacity, the “**Monitor**”),

SERVICE

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

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms have the meaning given to them herein, including as set forth in **Schedule “A”** hereto.

APPLICATION

3. **THIS COURT ORDERS** that each Applicant is a company to which the CCAA applies. Although not an Applicant, Mizrahi Commercial (The One) LP, together with the Applicants, shall enjoy all the benefits of the protections and authorizations provided by this Order and be subject to its terms.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Companies shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that, subject to the terms hereof, the Companies shall have possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”). Subject to further Order of this Court and the DIP Credit Agreement and the other DIP Documents (each as defined below), the Companies shall carry on business in a manner consistent with the preservation of their business (the “**Business**”), including the ongoing construction, development and realization of value from the Project. The Companies are authorized and empowered to retain such employees, advisors, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order, in each case as determined by the CRO (as defined below) in consultation with the Monitor.

6. **THIS COURT ORDERS** that, subject to the DIP Credit Agreement and the other DIP Documents (other than in respect of 6(b) below), the Companies shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) the fees and disbursements of any Assistants retained by the Companies in respect of these proceedings at their standard rates and charges;

- (b) with the consent of the Monitor, amounts owing in respect of obligations incurred by the Companies or the Receiver during the Receivership Proceedings, including in respect of goods and services supplied to the Companies, the Receiver or otherwise in respect of the Project during the Receivership Proceedings; and
- (c) with the consent of the Monitor, payments owing by the Companies, or any of them, or owing by any Developer, to suppliers, contractors, subcontractors and other creditors who the Companies consider to be critical to the Business or the Project.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the DIP Credit Agreement and the other DIP Documents, the Companies shall be entitled but not required to pay all reasonable expenses incurred by the Companies in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business, including, without limitation, payments on account of insurance, maintenance and security services; and
- (b) payment for goods or services actually supplied to the Companies or the Project following the date of this Order, including payment in accordance with the Definitive Transaction Agreements (as defined in the Transaction Approval Order), or payments to obtain the release of goods or delivery of services contracted for prior to the date of this Order.

8. **THIS COURT ORDERS** that the Companies shall remit, in accordance with legal requirements, or pay:

- (a) all goods, services, excise, or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Companies in connection with the sale of goods and services by the Companies, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (b) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Companies.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Companies shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be or has been negotiated between the Companies and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears), or at such other time intervals and dates as may be agreed to between the applicable Company and the applicable landlord. On the date of the first of such

payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Companies are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Companies to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Companies shall, subject to such requirements as are imposed by the CCAA and the DIP Credit Agreement and the other DIP Documents, have the right to:

- (a) dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$2,000,000 in the aggregate, provided that no condominium unit in the Project shall be sold pursuant to this clause (a); and
- (b) pursue all avenues of refinancing or restructuring their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

all of the foregoing to permit the Companies to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. **THIS COURT ORDERS** that the Companies shall provide each of the relevant landlords with notice of the relevant Company's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes such Company's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Company, or by further Order of this Court upon application by the Companies on at least two (2) days notice to such landlord and any such secured creditors. If a Company disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to such Company's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may, subject to applicable law, show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Company and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Company in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE COMPANIES, THE MONITOR, THE DEVELOPERS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including August 15, 2025, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Companies or the Monitor, or any Developer for matters arising after the date of the Receivership Order, or affecting the Business or the Property, except, in each case, with the written consent of the CRO, the Monitor and, in the case of any Proceeding against the Tridel Parties, the Tridel Parties also, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Companies, any Developer or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the CRO and the Monitor; provided that nothing in this paragraph 14 shall stay the Receivership Litigation, it being understood that the recourse of the claimants in the Receivership Litigation shall be limited to the applicable specified reserve amounts in the Receivership Claims Reserve (as defined below) and all Receivership Litigation shall remain subject to the jurisdiction of the Court in the CCAA proceedings.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Companies, the Monitor, or any Developer for matters arising after the date of the Receivership Order, or affecting the Business or the Property, including, without limitation, licences and permits required for the Project regardless of who is the legal holder of any such licences and permits, are

hereby stayed and suspended except, in each case, with the written consent of the CRO, the Monitor and, in the case of any rights and remedies against or in respect of the Tridel Parties, the Tridel Parties also, or leave of this Court, provided that nothing in this Order shall (a) empower the Companies to carry on any business which the Companies are not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, or (c) prevent the filing of any registration to preserve or perfect a security interest (provided that the registration of a construction lien shall not be permitted pursuant to this item (c)).

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit (collectively, “**Rights**”) in favour of or held by any of the Companies or any Developer, or in respect of the Project, except, in each case, with the written consent of the CRO, the Monitor and, in the case of Rights in favour of or held by the Tridel Parties, the Tridel Parties also, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Companies or any Developer, or contractual, statutory or regulatory mandates for the supply of goods and/or services to the Companies, any Developer and/or the Project, including, without limitation, all computer software, communication and other data services, construction management services, project management services, permit and planning management services, accounting services, banking services, payroll and benefit

services, warranty services, sub-contracts, trade suppliers, equipment vendors and rental companies, insurance, transportation services, utility, customs, clearing, warehouse, logistics or other services to any of the Companies, any Developer and/or the Project are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by any of the Companies or exercising any other remedy provided under the agreements or arrangements, and that each of the Companies shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Company or Developer in accordance with normal payment practices of the Company or Developer, as applicable, or such other practices as may be agreed upon by the supplier or service provider and the applicable Company, with the consent of the Monitor, or as may be ordered by this Court.

18. **THIS COURT ORDERS** that any Person who has provided any kind of letter of credit, guarantee, surety or bond (collectively, “**Financial Assurance**”) to or for the benefit of the Companies, including where such Financial Assurance has been provided to a Developer or the Receiver, on or before the date of this Order shall be required to continue honoring such Financial Assurance in accordance with its terms, notwithstanding any default or cross-default arising as a result of the Receivership Order, this Order, the financial circumstances of the Companies or otherwise. For greater certainty, the guarantees referred to in paragraph 65 of the Affidavit of Joo Sung Yoon made October 17, 2023, filed in the Receivership Proceedings, shall not be affected by this paragraph and such guarantees are not included in the definition of Financial Assurance.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Companies. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

APPROVAL OF CHIEF RESTRUCTURING OFFICER ENGAGEMENT

20. **THIS COURT ORDERS** that:

- (a) the engagement agreement entered into among the Companies, by the Receiver, and FAAN Advisors Group Inc. (“FAAN”) pursuant to which the Companies have engaged FAAN to act as chief restructuring officer of the Companies (the “CRO”), a copy of which is attached as Appendix G to the Joint Report (the “CRO Engagement Letter”), and the appointment of the CRO pursuant to the terms thereof, is hereby approved, including, without limitation, payment by the Companies of the fees and expenses contemplated thereby (the “CRO Fees”);
- (b) the CRO is hereby authorized and empowered to exercise any powers which may be properly exercised by a board of directors or any officers of the Companies, including under this Order, and it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (including any directors, officers or shareholders of the Companies) and without interference from any other Person;

- (c) the CRO shall be responsible for performing its functions and obligations as set out in the CRO Engagement Letter for the benefit of the Companies and shall provide timely updates to the Monitor in respect of such functions and obligations;
- (d) none of the CRO, any of its employees, directors, officers or shareholders, or any other Person employed or engaged by FAAN to provide services to the Companies pursuant to the CRO Engagement Letter (each, a “**Consultant**”) shall be or be deemed to be a director, de facto director, or employee of any of the Companies unless consented to in writing by such Person and approved by the Court;
- (e) neither the CRO nor any Consultant shall, as a result of the performance of their obligations and duties under the CRO Engagement Letter in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession (as defined below) of any of the Property within the meaning of any Environmental Legislation (as defined below); provided, however, that if the CRO or any Consultant is nevertheless found to be in Possession of any such Property, then the CRO and/or such Consultant, as the case may be, shall be entitled to the benefits and protections in relation to the Companies and such Property as are provided to a monitor under Section 11.8(3) of the CCAA; provided further, however, that nothing in this subparagraph 20(e) shall exempt the CRO and/or any Consultant from any duty to report or make disclosure imposed by a law incorporated by reference in Section 11.8(4) of the CCAA;
- (f) neither the CRO nor any Consultant shall have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and

after the date of this Order (including, without limitation, any personal liability or obligation under or in connection with the RFCA or the DIP Credit Agreement; the performance, actions, errors, omissions or negligence by or of any construction manager, project manager, developer, contractor, subcontractor or other service provider directly or indirectly involved in the Project, and all other Persons acting on their instructions or behalf; or as a result of its appointment or the carrying out of the provisions of this Order) except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO and/or any Consultant, as determined pursuant to a final order of this Court that is not subject to appeal or other review and all rights to seek any such appeal or other review shall have expired;

- (g) no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO and/or any Consultant, and all rights and remedies of any Person against or in respect of the CRO and/or any Consultant are hereby stayed and suspended, except with the written consent of the CRO and the Monitor or with leave of this Court on notice to the Companies, the Monitor and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the Companies, the Monitor and the CRO at least seven (7) days prior to the return date of any such motion for leave;
- (h) the CRO Fees shall not be compromised pursuant to any Plan, any proposal under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide

for the payment in full of all amounts due to the CRO pursuant to the terms of the CRO Engagement Letter; and

- (i) the CRO shall be entitled to the benefit of the Administration Charge (as defined below).

21. **THIS COURT ORDERS** that neither the CRO nor any Consultant shall incur any liability or obligation as a result of the appointment of the CRO or the carrying out by it of the provisions of this Order or the CRO Engagement Letter, save and except for any gross negligence or wilful misconduct on the part of the CRO and/or any Consultant, as determined pursuant to a final order of this Court that is not subject to appeal or other review and all rights to seek any such appeal or other review shall have expired.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Companies with the powers and obligations set out in the CCAA or set forth herein and that the Companies, the CRO and the Assistants shall advise the Monitor of all material steps taken by any of the Companies pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Companies' receipts and disbursements;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Companies, to the extent required by the Companies, in their dissemination to the DIP Lender and counsel, as applicable, of financial and other information as agreed to between the Companies and the DIP Lender which may be used in these proceedings;
- (d) assist the Companies in their preparation of the Companies' cash flow statements and any other reporting required by the DIP Lender pursuant to the DIP Credit Agreement, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel, as applicable, on a periodic basis as agreed to with the DIP Lender;
- (e) assist the Companies in their development of any Plan, or in respect of any other restructuring or realization transactions or activities that may be pursued by the Companies (collectively, with a Plan, a "**Transaction**");
- (f) assist the Companies, to the extent required by the Companies, with the holding and administering of any meetings for voting on any Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Companies, to the extent that is necessary to adequately assess the Companies' business and financial affairs or to perform its duties arising under this Order;

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) apply to this Court, including for and on behalf of the Companies with the consent of the CRO, for any orders necessary or advisable in connection with these CCAA proceedings and the Companies' restructuring efforts, including, without limitation, seeking any required approvals in connection with a Transaction;
- (j) maintain a claim reserve on account of the Unresolved Receivership Claims (the "**Receivership Claims Reserve**") and release amounts held in the Receivership Claims Reserve to the Companies and/or the applicable claimants as and when the Unresolved Receivership Claims are consensually resolved to the satisfaction of the CRO and the Monitor, or as ordered by the Court in a final decision that is not subject to appeal or other review;
- (k) with the consent of the CRO, open new bank account(s) or change existing bank account(s) in the name of the Receiver to be in the name of the Monitor, as applicable, in connection with the Project, which bank account(s) will be maintained by the Monitor and will hold all funds, monies, cheques, instruments, and other forms of payments received or collected by or on behalf of the Companies and all holdback amounts in connection with the Project (the "**Project Accounts**"), and the Monitor be and is hereby authorized to take all such actions and execute all such agreements or other instruments or documents as may be required or appropriate in connection with the Project Accounts, including, without limitation,

executing account opening agreements and electronic banking agreements, and appointing officers or employees of A&M as authorized signatories and instructing persons for the Project Accounts. For the avoidance of doubt, the Project Accounts and all funds on deposit therein from time to time shall form part of the Property;

- (l) together with the CRO, review, monitor and authorize payments from the Project Accounts for and on behalf of the Companies;
- (m) act on behalf of the Companies in connection with the rights and obligations of the Companies set out in the CRO Engagement Letter; and
- (n) perform such other duties as are required by this Order or by this Court from time to time.

24. **THIS COURT ORDERS** that, except for the Project Accounts and the funds on deposit therein, the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste

or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Companies and the DIP Lender with information provided by the Companies in response to reasonable requests for information made in writing by such creditors addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Companies is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Companies may agree.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor any its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, as determined pursuant to a final order of this Court that is not subject to appeal or other review and all rights to seek any such appeal or

other review shall have expired. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any other applicable legislation.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the CRO shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges or as set out in the CRO Engagement Letter, by the Companies as part of the costs of these proceedings. The Companies are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and the CRO in accordance with the payment terms agreed between the Companies and such parties.

29. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the CRO shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$3,500,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred both before and after the making of this Order at their standard rates and charges or as set out in the CRO Engagement Letter. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

DIP FINANCING

31. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to obtain and borrow under a credit facility from IGIS Global Private Placement Real Estate Fund

No. 530 (the “**DIP Lender**”), in order to finance the ongoing construction and development costs of the Project, the costs of these proceedings, and costs relating to the Receiver Incidental Matters, provided that borrowings under such credit facility shall not exceed \$615,000,000 (plus accrued and unpaid interest, fees and reimbursable expenses) unless permitted by further Order of this Court.

32. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the Debtor-in-Possession Credit Agreement between the Companies, IGIS Asset Management Co., Ltd., and the DIP Lender made as of April 3, 2025 (the “**DIP Credit Agreement**”), attached as Schedule “G” to the Omnibus Agreement (as defined in the Transaction Approval Order).

33. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**DIP Documents**”), as are contemplated by the DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the DIP Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not exceed the aggregate amount owed to the DIP Lender under the DIP Credit

Agreement and the other DIP Documents. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and 40 hereof.

35. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the DIP Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other DIP Documents, or the DIP Lender's Charge, the DIP Lender may immediately cease making advances to the Companies, make demand, accelerate payment and give other notices and, upon three (3) days' written notice to the Companies, the Monitor and the Tridel Parties, may exercise any and all of its other rights and remedies against the Companies or the Property (other than in respect of the Funding Reserve (as defined in the DIP Credit Agreement)) under or pursuant to the DIP Credit Agreement, the other DIP Documents, and the DIP Lender's Charge, including, without limitation, to set off and/or consolidate any amounts owing by the DIP Lender to the Companies against the obligations of the Companies to the DIP Lender under the DIP Credit Agreement, the other DIP Documents, and the DIP Lender's Charge, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against any of the Companies and for the appointment of a trustee in bankruptcy of any of the Companies; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

36. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any Plan filed in these CCAA proceedings in respect of the Companies, or any proposal filed under the BIA in respect of the Companies with respect to any advances made under the DIP Credit Agreement and the other DIP Documents.

37. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order, any other Order of the Court (whether made pursuant to these proceedings or otherwise), or at law, the DIP Lender shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, as determined pursuant to a final order of this Court that is not subject to appeal or other review and all rights to seek any such appeal or other review shall have expired.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THE RECEIVERSHIP ORDER AND THIS ORDER

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

First – Administration Charge (to the maximum amount of \$3,500,000) and the Receiver's Charge, which shall rank *pari passu* with one another;

Second – DIP Lender's Charge (to the maximum amount of \$615,000,000, plus accrued and unpaid interest, fees and reimbursable expenses) and the Receiver's

Borrowings Charge (to the maximum amount of \$252,814,100, plus accrued and unpaid interest, fees and reimbursable expenses), which shall rank *pari passu* with one another; and

Third – the Tridel Charge.

39. **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.

40. **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, deemed trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, notwithstanding the order of perfection or attachment; provided that (i) the Charges shall be subordinate to the security interest of Aviva Insurance Company of Canada in the Condo Deposits in the Condo Deposit Account (each as defined in the Yoon Affidavit), and (ii) the RBC Charge shall continue to have a first charge on the RBC Collateral Account and the RBC Collateral in accordance with the Reconfiguration and LC Arrangement Order.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Companies also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the applicable Charge(s), or further Order of this Court.

42. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) 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 or receivership order(s) issued pursuant to the BIA or other applicable statutes, or any bankruptcy or receivership 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 Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the DIP Documents shall create or be deemed to constitute a breach by the Companies of any Agreement to which any of them are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the DIP Documents; and
- (c) the payments made by the Companies pursuant to this Order, the DIP Credit Agreement or the DIP Documents and the granting of the Charges, do not and will

not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Company's interest in such real property leases.

CHANGES OF COMPANIES' NAMES AND RELATED RELIEF

44. **THIS COURT ORDERS** that the Companies and the CRO are hereby authorized and permitted to complete, execute and file articles of amendment, declarations of change and such other notices, articles, declarations, documents or instruments (collectively, "**Corporate/LP Filings**") as may be required to change the name of each of the Companies as follows: (a) "Mizrahi Commercial (The One) LP" to "One Bloor West Toronto Commercial (The One) LP"; (b) "Mizrahi Development Group (The One) Inc." to "One Bloor West Toronto Group (The One) Inc."; and (c) "Mizrahi Commercial (The One) GP Inc." to "One Bloor West Toronto Commercial (The One) GP Inc.", or to such other names as determined by the CRO with the consent of the Monitor and the DIP Lender (the "**Updated Names**") and to change the registered office and registered address (as applicable) of each of the Companies. All such Corporate/LP Filings shall be accepted by the Director under the *Business Corporations Act* (Ontario) and the registrar under the *Limited Partnerships Act* (Ontario) or such other relevant official without the requirement (if any) of obtaining director, shareholder or other approval pursuant to any applicable federal or provincial legislation.

45. **THIS COURT ORDERS** that forthwith upon the official change of names of the Companies to the Updated Names, the Monitor shall serve on the Service List (as defined below) and file with the Court a Monitor's certificate specifying the Updated Names, whereupon the names of the Companies in the within title of proceedings shall be deleted and replaced with the Updated Names of the Companies, and any document filed thereafter in these proceedings shall be filed using such revised title of proceedings.

RECEIVERSHIP TRANSITION MATTERS

46. **THIS COURT ORDERS** that, except for the Receivership Claims Reserve to be held by the Monitor, all remaining funds on deposit in the Post Receivership Accounts shall form part of the Property and shall be held in the Project Accounts.

47. **THIS COURT ORDERS** that the Receiver's Charge and the Receiver's Borrowings Charge shall continue in full force and effect, together with all associated rights, entitlements and protections provided for in the Receivership Order, all in accordance with paragraphs 38 through 43, hereof.

48. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, the Companies shall assume, be liable for and discharge when due the Assumed Receivership Liabilities; provided that (a) the designation of any Assumed Receivership Liabilities as such is without prejudice to the right of the Companies to dispute the existence, validity or quantum of any Assumed Receivership Liabilities; and (b) nothing in this Order shall affect or waive any legal or equitable rights or defences in respect of the Assumed Receivership Liabilities, including, but not limited to, all rights with respect to any set-offs or recoupments with respect to any Assumed Receivership Liabilities. For greater certainty and without limiting the protections contemplated

in this Order, the Discharge Order and any other orders made in the Receivership Proceedings and these CCAA proceedings, the Assumed Receivership Liabilities shall constitute liabilities of the Companies, and neither the Receiver, the Monitor or the CRO shall have any liability with respect to the Assumed Receivership Liabilities.

49. **THIS COURT ORDERS** that each of the Specified Receivership Orders and the authorizations, stays, claims bars, rights, protections and other relief granted thereunder shall continue in full force and effect in the within proceedings, *mutatis mutandis*. Without limiting the generality of the foregoing:

- (a) all references to the Court in the Specified Receivership Orders for the period from and after the date hereof shall be construed so as to refer to the Court in these proceedings;
- (b) all references to the Receiver and the Debtors in the Specified Receivership Orders for the period from and after the date hereof shall be construed so as to refer to the Monitor and the Companies, respectively; provided that (i) where the Specified Receivership Orders contemplate entering into any agreement by the Receiver, such references to the Receiver shall be construed so as to refer to the Companies entering into any such agreement; and (ii) any rights and authorizations granted in favour of the Receiver shall be construed to have been granted in favour of both the Companies and the Monitor;
- (c) with respect to the Construction Continuance Order, the reference to “Construction Manager” in paragraph 13 thereof shall be construed so as to also include reference to Deltera;

- (d) all Lien Notices delivered or deemed to have been delivered in accordance with the Lien Regularization Order shall continue in full force and effect, subject to the resolution of the Unresolved Lien Claims in accordance with the terms of the Lien Claims Resolution Order;
- (e) the Lien Charges granted pursuant to the Lien Regularization Order shall continue in full force and effect in the within proceedings in accordance with the terms of the Lien Regularization Order (provided that, for the avoidance of doubt, the Lien Charges shall be subordinate to each of the Charges); and
- (f) the appointment of the Claims Officers shall continue in accordance with the terms of the Lien Claims Resolution Order, with all of the rights and protections afforded to the Claims Officers thereby.

50. **THIS COURT ORDERS** that the Monitor shall have all of the rights of the Receiver as set forth in paragraphs 7 through 11 of the Receivership Order.

51. **THIS COURT ORDERS** that the Monitor and the Receiver shall be at liberty to seek the enforcement of any other orders or relief granted in the Receivership Proceedings in the within proceedings or to seek advice and direction in respect of the interpretation or application of any of the Specified Receivership Orders and nothing herein shall be construed so as to the prejudice the enforcement of any such other orders or relief, or to detract from any authorizations, stays, rights, protections or other relief granted in the Receivership Proceedings.

SERVICE AND NOTICE

52. **THIS COURT ORDERS** that the Monitor shall not be required to: (a) publish the notice contemplated by subsection 23(1)(a)(i) of the CCAA; (b) send the notice contemplated by subsection 23(1)(a)(ii)(B) of the CCAA; or (c) prepare the creditors list contemplated by subsection 23(1)(a)(ii)(C) of the CCAA.

53. **THIS COURT ORDERS** that the Monitor shall, within five days after the date of this Order, make this Order publicly available in the manner prescribed under the CCAA.

54. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established by the Monitor in accordance with the Guide with the following URL: <https://www.alvarezandmarsal.com/theone>.

55. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Companies and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Companies’ creditors or other

interested parties at their respective addresses as last shown on the records of the Companies and that any such service, distribution or notice shall be deemed to be received: (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

56. **THIS COURT ORDERS** that the Companies and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Companies' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

57. **THIS COURT ORDERS** that, subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Companies or the Monitor in these proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Standard/Daylight Time on the date that is two (2) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline by notice in writing.

58. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

59. **THIS COURT ORDERS** that the service list in the Receivership Proceedings shall be the Service List in the within proceedings, as may be updated from time to time by notice in writing to the Monitor and its counsel. Any Notice of Appearance served in the Receivership Proceedings shall be deemed to have been served in the within proceedings as well.

SEALING

60. **THIS COURT ORDERS** that the Confidential Appendix to the Joint Report shall be sealed and kept confidential pending further order of this Court.

GENERAL

61. **THIS COURT ORDERS** that the Companies or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order, or for advice and directions in the discharge of their respective powers and duties under this Order or the interpretation or application of this Order. Notwithstanding any leave to appeal or appeal sought in respect of this Order, the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set

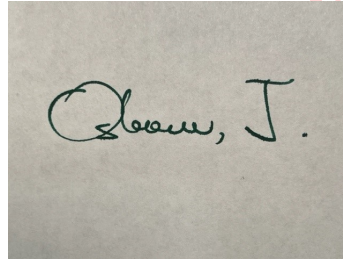
forth in paragraphs 38 and 40 hereof, with respect to any fees, expenses and disbursements incurred, or advances made, as applicable, until the date that this Order may be amended, varied or stayed.

62. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Companies, the Business, or the Property.

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

64. **THIS COURT ORDERS** that each of the Companies and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

65. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

A rectangular box containing a handwritten signature in black ink that reads "Osborne, J.".

Digitally signed
by Osborne J.

Date:

2025.04.22

15:47:35^{-04'00'}

SCHEDULE “A” CERTAIN DEFINED TERMS

“Assumed Receivership Liabilities” means any and all obligations under: (i) the RFCA; (ii) the Indemnity Agreement between the City of Toronto and Mizrahi Development Group (The One) Inc., by the Receiver, dated April 2, 2024; (iii) the Loan Agreement in the amount of \$3,244,468.04 between Royal Bank of Canada and the Receiver dated July 5, 2024, and related Cash Collateral Agreement between Royal Bank of Canada and the Receiver dated July 2, 2024, each entered into in connection with the Letters of Credit Arrangement approved by the Court pursuant to the Reconfiguration and LC Arrangement Order to facilitate the provision of letters of credit to the City of Toronto in support of various obligations of the Companies owing to the City of Toronto; (iv) the Contract for Services between Knightsbridge Development Corporation and the Receiver dated October 23, 2023; (v) the CCDC 5B 2010 Construction Management Contract – for Services and Construction between the Receiver and SKYGRiD Construction Inc. dated June 5, 2024; (vi) the Engagement Letter between Jones Lang Lasalle Americas, Inc. and the Receiver dated February 6, 2025, in respect of the hotel operator selection process; and (vii) the CRO Engagement Letter; and such other receivership liabilities as are included in the Project Budgets (as defined in the DIP Credit Agreement).

“Claims Officers” has the meaning ascribed thereto in the Lien Claims Resolution Order.

“Construction Continuance Order” means the Order (Construction Continuance and Ancillary Relief) dated March 7, 2024.

“Deltera” means Deltera Construction Limited, in its capacity as developer or construction manager of the Project.

“Developer” means any past, present or future developer or construction manager of the Project in its capacity as such, including Mizrahi Inc., SKYGRiD Construction Inc. and the Tridel Parties.

“Discharge Order” means the Discharge Order made in the Receivership Proceedings of even date herewith.

“Lien Charge” has the meaning ascribed thereto in the Lien Regularization Order.

“Lien Claims Resolution Order” means the Lien Claims Resolution Order made in the Receivership Proceedings dated August 9, 2024.

“Lien Notice” has the meaning ascribed thereto in the Lien Regularization Order.

“Lien Regularization Order” means the Lien Regularization Order made in the Receivership Proceedings dated March 7, 2024.

“Post Receivership Accounts” has the meaning ascribed thereto in the Receivership Order.

“Project” means the 85-storey condominium, hotel and retail tower being developed by the Companies located at the southwest corner of Yonge Street and Bloor Street West in Toronto,

Ontario, and includes, for the avoidance of doubt, each of the Commercial Project and the Condominium Project (each as defined in the DIP Credit Agreement).

“RBC Charge” has the meaning ascribed thereto in the Reconfiguration and LC Arrangement Order.

“RBC Collateral” and **“RBC Collateral Account”** have the meanings ascribed thereto in the Reconfiguration and LC Arrangement Order.

“Receiver’s Borrowings Charge” has the meaning ascribed thereto in the Receivership Order.

“Receiver’s Charge” has the meaning ascribed thereto in the Receivership Order.

“Receiver Incidental Matters” shall have the meaning ascribed to it in the Discharge Order.

“Receivership Litigation” means (i) the motion of Mizrahi Inc. brought in the Receivership Proceedings dated February 27, 2024, and the related cross-motion brought by the Receiver dated October 18, 2024; and (ii) the motion of Gamma Windows and Walls International Inc. brought in the Receivership Proceedings dated June 17, 2024.

“Reconfiguration and LC Arrangement Order” means the Order (Reconfiguration and Letters of Credit Arrangement) made in the Receivership Proceedings dated June 6, 2024.

“RFCA” means the Receivership Funding Credit Agreement – The One amongst the Receiver, as borrower, IGIS Asset Management Co., Ltd., as asset manager, and KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530, as lender, dated October 18, 2023.

“Specified Receivership Orders” means the following orders made in the Receivership Proceedings: (i) the Lien Regularization Order; (ii) the Construction Continuance Order; (iii) the Order (Holdback Release) dated June 6, 2024; (iv) the Reconfiguration and LC Arrangement Order; and (v) the Lien Claims Resolution Order.

“Transaction Approval Order” means the Order (Transaction Approval) made in these proceedings of even date herewith.

“Tridel Charge” shall have the meaning ascribed to it in the Transaction Approval Order.

“Tridel Parties” means Tridel Builders Inc., Deltera Inc., Deltera, Del Realty Incorporated and Tridel Corporation.

“Unresolved Lien Claims” shall have the meaning ascribed to it in the Discharge Order.

“Unresolved Receivership Claims” shall have the meaning ascribed to it in the Discharge Order.

“Yoon Affidavit” means the affidavit of Joo Sung Yoon sworn October 17, 2023, and the exhibits thereto, filed in the Receivership Proceedings.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

Court File No. CV-25-00740512-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF MIZRAHI DEVELOPMENT GROUP (THE ONE) INC. AND MIZRAHI
COMMERCIAL (THE ONE) GP INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for Alvarez & Marsal Canada Inc., in its
capacity as Receiver and Proposed Monitor

APPENDIX “B”
JOINT EIGHTH REPORT OF THE RECEIVER AND PRE-FILING REPORT OF A&M
AS PROPOSED MONITOR DATED APRIL 3, 2025

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

B E T W E E N:

**KEB HANA BANK as trustee of IGIS GLOBAL PRIVATE PLACEMENT REAL
ESTATE FUND NO. 301 and as trustee of IGIS GLOBAL PRIVATE PLACEMENT
REAL ESTATE FUND NO. 434**

Applicant

- and -

**MIZRAHI COMMERCIAL (THE ONE) LP, MIZRAHI DEVELOPMENT GROUP (THE
ONE) INC., and MIZRAHI COMMERCIAL (THE ONE) GP INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

- AND -

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MIZRAHI DEVELOPMENT GROUP (THE ONE) INC. AND MIZRAHI
COMMERCIAL (THE ONE) GP INC.**

**JOINT EIGHTH REPORT OF THE RECEIVER AND
PRE-FILING REPORT OF ALVAREZ & MARSAL CANADA INC.
AS PROPOSED MONITOR**

APRIL 3, 2025

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APPENDICES

- Appendix “A” – Second Report of the Receiver dated May 28, 2024 (without appendices)
- Appendix “B” – Sixth Report of the Receiver dated December 11, 2024 (without appendices)
- Appendix “C” – Summaries of the Definitive Transaction Agreements
- Appendix “D” – Omnibus Agreement dated April 3, 2025
- Appendix “E” – Unaudited Financial Statements of the Companies for the year ended December 31, 2023
- Appendix “F” – Consent of A&M to act as Monitor dated April 3, 2025
- Appendix “G” – CRO Engagement Letter dated April 1, 2025
- Appendix “H” – Comparative Pricing Analysis of DIP Credit Agreement
- Appendix “I” – Cash Flow Forecast
- Appendix “J” – Report on Cash Flow Statement
- Appendix “K” – Letter from Goodmans to McCarthy Tétrault dated January 20, 2025
- Appendix “L” – Letter from McCarthy Tétrault to Goodmans dated February 12, 2025
- Appendix “M” – Letter from Goodmans to Babin Bessner Spry dated November 6, 2024
- Appendix “N” – Letter from Babin Bessner Spry to Goodmans dated November 30, 2024
- Appendix “O” – Letter from Goodmans to Lenczner Slaght dated January 20, 2025, and related correspondence

- Confidential Appendix “1” – LOI Summary

1.0 INTRODUCTION

- 1.1 On October 18, 2023 (the “**Appointment Date**”), pursuant to the Order (Appointing Receiver) (the “**Receivership Order**” and the proceedings commenced thereunder being the “**Receivership Proceedings**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties (collectively, the “**Property**”) of Mizrahi Commercial (The One) LP (the “**Beneficial Owner**”), Mizrahi Development Group (The One) Inc. (the “**Nominee**”), and Mizrahi Commercial (The One) GP Inc. (“**GP Inc.**” and, together with the Nominee, the “**Applicants**”, and together with the Nominee and the Beneficial Owner, the “**Debtors**” or the “**Companies**”) acquired for, or used in relation to, a business carried on by the Debtors, including, without limitation, in connection with the development of an 85-storey condominium, hotel and retail tower (the “**Project**”) located on the southwest corner of Yonge Street and Bloor Street West in Toronto, Ontario.
- 1.2 On June 6, 2024, the Court granted the Order (Approval of SISP) (the “**SISP Approval Order**”) which, among other things, approved the sale and investment solicitation process (the “**SISP**”) in respect of the Project and authorized and directed the Receiver and the Broker (as defined below) to implement the SISP. A summary of the SISP and its key terms is included in the Second Report of the Receiver dated May 28, 2024 (the “**Second Report**”), a copy of which is attached hereto (without appendices) as **Appendix “A”**.
- 1.3 The Receiver’s Sixth Report dated December 11, 2024 (the “**Sixth Report**”), a copy of which is attached hereto (without appendices) as **Appendix “B”**, provided an interim

update in respect of the SISP. As described in the Sixth Report, the SISP culminated in the Receiver and the Senior Secured Lenders (as defined below) entering into a binding term sheet with Tridel Builders Inc. (“**TBI**”) and certain of its affiliates (collectively, “**Tridel**” and, together with Tridel Corporation, the “**Tridel Parties**”) on December 6, 2024 (the “**Term Sheet**”), in respect of the comprehensive proposal submitted by Tridel pursuant to the SISP, which contemplated Tridel being engaged as the project manager, construction manager and sales manager on a fee for service basis to complete the construction, development and realization of value from the Project (the “**Transaction**”).

- 1.4 The Transaction is subject to, among other things, the Court’s approval of the Transaction, and the transition of the Receivership Proceedings to proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**” and the proceedings contemplated to be commenced thereunder being the “**CCAA Proceedings**”).
- 1.5 Since entering into the Term Sheet, the Receiver, in consultation with the Senior Secured Lenders and the proposed CRO (as defined below), has been working with Tridel to negotiate, finalize and execute the Definitive Transaction Agreements (as defined below). Those negotiations are now complete, the Definitive Transaction Agreements have been executed, along with the DIP Credit Agreement (as defined below) which provides for necessary go-forward financing for the Project, and the Receiver is returning to Court to seek approval of the Transaction as well as the transition of the Receivership Proceedings to the CCAA Proceedings, together with certain related relief as described in greater detail below.

- 1.6 The Receiver has previously filed seven reports and four supplemental reports (collectively, the “**Prior Reports**”) with the Court. Additional background information regarding the Debtors and the Project, including an overview of the circumstances leading to the appointment of the Receiver, are contained in the Prior Reports and in the application record dated October 17, 2023 (the “**Application Record**”) of the Debtors’ senior secured lenders, KEB Hana Bank as trustee of each of IGIS Global Private Placement Real Estate Fund No. 301 and IGIS Global Private Placement Real Estate Fund No. 434 (together with KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530, the “**Senior Secured Lenders**”),¹ including the affidavit of Joo Sung Yoon sworn October 17, 2023 (the “**Yoon Affidavit**”).
- 1.7 The Application Record, the Prior Reports and other Court-filed documents and notices in the Receivership Proceedings can be found on the Receiver’s case website at: www.alvarezandmarsal.com/theone (the “**Case Website**”).
- 1.8 This report (this “**Joint Report**”) serves as both the Eighth Report of the Receiver and the Pre-Filing Report of A&M as proposed monitor of the Companies (in such capacity, the “**Proposed Monitor**”).
- 1.9 This Joint Report is being filed in support of the following application and motion, each of which are being brought at a hearing before the Court returnable on April 17, 2025 (the “**Transition Hearing**”):

¹ Unless otherwise stated, “Senior Secured Lenders” shall refer to all or any of KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 301, KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 434 and KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530 (in its capacity as RFCA Lender or DIP Lender (each as defined herein), as applicable), as the context requires.

- (i) an application brought by the Receiver on behalf of the Applicants seeking approval of the following:
 - (a) an order (the “**Initial Order**”), among other things:
 - (A) granting the Companies protection under the CCAA and extending the stay and other benefits of the Initial Order to the Beneficial Owner;
 - (B) appointing A&M as Monitor of the Companies (in such capacity, the “**Monitor**”);
 - (C) continuing certain super-priority charges on the Property granted in the Receivership Proceedings and granting certain additional super-priority charges on the Property and providing for the respective priority ranking for such charges;
 - (D) authorizing the Companies to enter into and borrow funds under the DIP Credit Agreement;
 - (E) appointing FAAN Advisors Group Inc. (“**FAAN**”) as Chief Restructuring Officer (in such capacity, the “**CRO**”) of the Companies; and
 - (F) sealing the Confidential Appendix to this Joint Report, which is to be sealed and kept confidential pending further order of the Court;

- (b) an order in the proposed CCAA Proceedings (the “**Transaction Approval Order**”), among other things:
- (A) approving the Transaction contemplated by the Omnibus Agreement among the Nominee and the Beneficial Owner (together, the “**Owner**”) and Tridel made as of April 3, 2025 (the “**Omnibus Agreement**”), and each of the Project Management and Services Agreement, the Construction Management Agreement and the Residential Sales Agreement appended as schedules thereto (collectively, including the Omnibus Agreement, the “**Definitive Transaction Agreements**”);
 - (B) granting a super-priority charge on the Property as security for the Tridel Charge Obligations (as defined in the proposed Transaction Approval Order);
 - (C) delineating the respective responsibilities and obligations of each of the Construction Manager (as defined below) and SKYGRiD Construction Inc. (“**SKYGRiD**”), the Receiver’s current construction manager, following the Effective Date (as defined below); and
 - (D) approving the Tridel Reconfiguration Plan (as defined and described below) and the implementation thereof by the Companies; and

- (ii) a motion brought by the Receiver in the Receivership Proceedings seeking an order (the “**Discharge Order**”), among other things:
- (a) discharging A&M as Receiver, provided that the Receiver shall remain Receiver for the performance of such incidental matters as may be required to complete the administration of the Receivership Proceedings (collectively, the “**Receiver Incidental Matters**”);
 - (b) ordering that notwithstanding the discharge of the Receiver, the Receiver and its counsel shall continue to have the benefit of all of the rights, approvals, protections, releases, charges and stays of proceedings in favour of the Receiver and its counsel at law or pursuant to the Receivership Order or any other order made in the Receivership Proceedings;
 - (c) granting a release in favour of the Receiver and its directors, officers, employees, affiliates, shareholders, agents, legal counsel and other advisors (collectively, the “**Released Persons**”);
 - (d) confirming that the Unresolved Lien Claims and Unresolved Receivership Claims (each as defined in the Discharge Order) shall not be released, provided that recourse shall be limited to the Lien Charges (as defined in the Lien Regularization Order, as defined below) and the applicable claim reserve to be maintained by the Monitor in the CCAA Proceedings in respect of the Unresolved Receivership Claims, respectively; and
 - (e) approving the Receiver’s reports, activities and fees.

2.0 PURPOSES OF THIS REPORT

2.1 The purposes of this Joint Report are to:

- (i) provide an update on the status of construction of the Project, which has progressed significantly since the engagement of SKYGRiD in March 2024;
- (ii) provide a summary of the results of the SISP and the proposed Transaction, including the rationale for transitioning the Receivership Proceedings to the proposed CCAA Proceedings;
- (iii) provide an overview of the relief sought at the Transition Hearing, as well as the manner in which certain receivership matters will be addressed following the contemplated transition to the CCAA Proceedings;
- (iv) provide a summary of the Omnibus Agreement and the other Definitive Transaction Agreements;
- (v) provide an update on the Reconfiguration Plan (as defined below) approved by the Court pursuant to the Reconfiguration and LC Arrangement Order (as defined below) and an overview of the proposed Tridel Reconfiguration Plan;
- (vi) provide a summary of certain key terms of the DIP Credit Agreement pursuant to which \$615 million is contemplated to be made available by the Senior Secured Lenders to finance the ongoing construction and development costs of the Project, the costs of the CCAA Proceedings and costs related to the Receiver Incidental Matters, subject to the terms of the DIP Credit Agreement;

- (vii) provide an overview of A&M's qualifications to act as Monitor of the Companies and FAAN's qualifications to act as CRO of the Companies;
- (viii) report on the Companies' projected cash flow requirements for the 20-week period from April 12, 2025 to August 29, 2025;
- (ix) provide information regarding the Debtors' receipts and disbursements since the Appointment Date;
- (x) report on the fees and disbursements of the Receiver and the Receiver's counsel, Goodmans LLP ("**Goodmans**"), as set out in the A&M Fee Affidavit and the Goodmans Fee Affidavit (each as defined below);
- (xi) describe the Receiver's activities since the date of the Second Report not otherwise described in the other Prior Reports;
- (xii) provide an update in respect of certain other matters in the Receivership Proceedings, including the status of certain litigation claims involving the Debtors; and
- (xiii) provide the Receiver's and the Proposed Monitor's recommendations in connection with the foregoing.

3.0 TERMS OF REFERENCE AND DISCLAIMER

- 3.1 In preparing this Joint Report, the Receiver and the Proposed Monitor have obtained and relied upon unaudited financial information, books and records, and other documents of the Debtors, and have held discussions with, and been provided with certain additional

information from the Receiver's project manager, Knightsbridge Development Corporation ("**KDC**"), the Senior Secured Lenders' cost consultant, Finnegan Marshall Inc. (the "**Cost Consultant**"), SKYGRiD, the Receiver's real estate broker in respect of the SISP, Jones Lang LaSalle Real Estate Services, Inc. (the "**Broker**"), the Tridel Parties, and certain other parties as referenced herein (collectively, the "**Information**").

3.2 In preparing this Joint Report, except as otherwise described herein:

- (i) the Receiver and the Proposed Monitor have reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver and the Proposed Monitor have not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, express no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (ii) some of the information referred to in this Joint Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.3 Future oriented financial information referred to in this Joint Report was prepared based on estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results may vary from the projections. Even if the assumptions materialize, the variations in such future-oriented financial information could be significant.

3.4 Unless otherwise stated, all monetary amounts contained in this Joint Report are expressed in Canadian dollars.

4.0 CONSTRUCTION UPDATE

4.1 Since the Appointment Date, the Receiver's primary focus, in consultation with KDC and the Cost Consultant, has been on advancing and facilitating the ongoing construction of the Project, which has continued uninterrupted throughout the Receivership Proceedings. The Receiver has implemented a number of initiatives directed at cost savings and/or value maximization, as well as improving practices and procedures, including but not limited to:

- (i) overseeing the implementation of improved construction management procedures;
- (ii) successfully transitioning construction management of the Project from Mizrahi Inc. ("MI"), the former developer of the Project, to SKYGRiD, the interim construction manager of the Project, with minimal impact to trades and suppliers;
- (iii) assisting SKYGRiD in negotiating new contracts (in cases where, under the oversight of MI, the lack of fixed price contracts had resulted in certain subtrades working off of purchase orders, letters of intent or on a "time and materials" basis for extended periods of time), and to transition subcontractors and other suppliers working on the Project who had a contract with MI to a new contract with SKYGRiD, while also addressing gaps in scopes of work and negotiating improved and/or industry standard terms;
- (iv) seeking and obtaining Court approval of the Construction Continuance Order, Lien Regularization Order, Holdback Release Order and Lien Claims Resolution Order

(each as defined below), which have collectively supported the efficient and effective management and resolution of certain trade and supplier related matters with minimal disruption to the ongoing construction of the Project;

- (v) working with the Reconfiguration Advisors (as defined in the Second Report) to analyze potential reconfiguration options for certain floor plates, and ultimately implementing the Reconfiguration Plan which, based on the Receiver's analysis and input from the Reconfiguration Advisors, would generate substantial additional net realizable value to the Project in comparison to the Base Configuration (as defined below);
- (vi) successfully completing the SISP through which Tridel was selected to, among other things, take over from SKYGRiD as the construction manager of the Project to facilitate the completion of construction of the Project, and working with Tridel and SKYGRiD during the Interim Period (as defined below) to develop a construction management transition plan; and
- (vii) working with Tridel, SKYGRiD and the Reconfiguration Advisors to further review and analyze the Reconfiguration Plan, which has been updated and improved through the proposed Tridel Reconfiguration Plan, which the Receiver and Tridel believe will continue to enhance and maximize value to the Project.

4.2 As previously reported, as at the Appointment Date, tower slabs in the building superstructure were poured to level 42 and window curtainwall (the façade) on the building envelope was installed through level 11.

4.3 During the period from the Appointment Date to March 31, 2025, an additional 39 floors of tower slabs have been poured through level 81, and the installation of the building envelope has advanced by an additional 47 floors through level 58 (which is currently in progress).

4.4 Below is a visual comparison of the construction progress achieved on the Project's superstructure since the Appointment Date:



October 18, 2023
Appointment Date



March 13, 2024
SKYGRiD transition date



March 27, 2025
Current

4.5 As of March 31, 2025, other key construction activities have continued to progress in line with the progress of the building enclosure, as follows:

- (i) standpipe for the fire suppression system is installed to level 80, standpipe for water service is partially installed to level 57, and main riser piping is partially installed to level 57;
- (ii) gas service to the suites is installed up to level 47;

- (iii) HVAC distribution from the mechanical rooms to the residential suites is partially complete up to level 67; and
- (iv) electrical main services are on-line up to level 38, with electrical main services installed up to level 66 (not yet on-line).

4.6 The Project's consultants are in the process of finalizing an updated set of drawings reflecting the changes contemplated by the Tridel Reconfiguration Plan, which drawings are substantially complete as of the date of this Joint Report. Subject to receiving Court approval, the drawings and other required documentation will be submitted to the City Planning Division for review. Materials in support of a revised building permit application to be submitted to the Toronto Building Department in respect of the Tridel Reconfiguration Plan are similarly in progress. Based on discussions with Tridel and the Reconfiguration Advisors, the Receiver does not anticipate any issues with the City Planning Division's review and approval process as it relates to the Tridel Reconfiguration Plan.

4.7 The concrete pouring of the penthouse levels of the Project commenced in late March 2025 (the first structural activity in the Tridel Reconfiguration Plan). The Schedule (as defined below) currently contemplates the concrete forming of the last residential floor (level 85) to be complete in September 2025, the remaining structural components of the Project to be substantially complete by November 2026, and the construction of the overall Project to be complete in early 2028.

5.0 RESULTS OF THE SISP

- 5.1 A comprehensive overview of the SISP, including the activities conducted by the Broker and the Receiver in connection therewith, is set out in Section 4.0 of the Sixth Report. Capitalized terms not otherwise defined in this section have the meaning given to them in the SISP.
- 5.2 As described in the Sixth Report, following an extensive marketing process, a number of Qualified LOIs for Development Proposals (proposals for the construction, development and realization of value from the Project) were received. No Qualified LOIs for Transaction Proposals (proposals for the acquisition of, or investment in, the Project) were received.
- 5.3 In total, the Receiver and the Broker received LOIs from 11 Participating Bidders. A summary of the LOIs received is included as **Confidential Appendix “1”** (the “**LOI Summary**”). The purpose of the LOI Summary is to provide the Court with additional information regarding the LOIs received in the SISP, including the fees proposed by each of the relevant Participating Bidders.
- 5.4 Pursuant to the proposed Initial Order, a sealing order is being sought in respect of the LOI Summary on the basis that it contains commercially sensitive information that could negatively impact realization efforts in respect of the Project, including as it relates to the estimated value of the individual components of the Project, as well as the identification of certain Participating Bidders and details concerning their respective LOIs, which were submitted on a confidential basis. The Receiver is of the view that no party will suffer prejudice if the LOI Summary is filed under seal.

Tridel Term Sheet and Interim Services

- 5.5 For the reasons set out at paragraph 4.26 of the Sixth Report, Tridel's Development Proposal was determined to be the superior proposal and was designated as the Selected Qualified Bid.
- 5.6 On December 6, 2024, the Receiver, Tridel and the Senior Secured Lenders entered into the Term Sheet, which outlined the principal terms and conditions of the Transaction, including the specific services that would be performed by Tridel on an interim basis prior to Court approval of the Transaction (the "**Interim Services**") and the fees associated with the Interim Services. Shortly thereafter, on December 11, 2024, the Receiver issued its Sixth Report wherein it provided an update with respect to the SISP, including the execution of the Term Sheet and the proposed transition to the CCAA Proceedings.
- 5.7 Pursuant to the Term Sheet, on December 12, 2024, the Receiver remitted refundable advance payments of the construction management and project management fees to Tridel in consideration for the performance of the Interim Services in the aggregate amount of approximately \$2.3 million, plus HST (collectively, the "**Tridel Advances**").
- 5.8 Since the execution of the Term Sheet (the "**Interim Period**"), Tridel has devoted significant time and effort to prepare a revised Project construction schedule (the "**Schedule**"), cost to complete (the "**Cost to Complete**"), procurement schedule, and the related budget (the "**Development Budget**"), which has been finalized in consultation with the Receiver, the Cost Consultant, KDC, and the Senior Secured Lenders.

5.9 In addition, Tridel has been performing the Interim Services including, among other things, assisting the Receiver with certain development management matters, commencing planning activities in connection with the sale and marketing plan for the Residential Component,² advancing various time sensitive Project matters including assisting with the hotel operator selection process (described below) and working with SKYGRiD on a cooperative and collaborative basis to plan and implement a construction management transition plan. Additional information regarding the transition of construction management of the Project is provided below.

6.0 THE PROPOSED TRANSACTION

Definitive Transaction Agreements

6.1 Subject to Court approval of the Transaction and the granting of the CCAA relief sought in connection therewith, the Transaction contemplates that, as of the Effective Date (as defined below), Tridel will be engaged as the project manager, construction manager and sales manager of the Project. The Transaction is documented in the Omnibus Agreement and each of the other Definitive Transaction Agreements appended thereto, which together represent the agreement between the parties with respect to the Transaction. The Transaction, if approved, will become effective ten days after Court approval thereof, or such other date as the parties mutually agree (the “**Effective Date**”).

² The residential component of the Project (the “**Residential Component**”) is comprised of the residential condominium units (each a “**Unit**” and, collectively, the “**Units**”) occupying levels 17 through 85 of the Project, and the commercial component of the Project (the “**Commercial Component**”) is comprised of four underground parking levels and 16 aboveground levels including the retail space on the ground floor, the food and beverage spaces on level three, and the spaces designed for a premium hotel on levels five and seven through 16 (the “**Hotel Component**”).

6.2 An overview of the Omnibus Agreement and the other Definitive Transaction Agreements is set out in the table below, and summaries of the key terms of each are included in **Appendix “C”**. The Omnibus Agreement itself, including the other Definitive Transaction Agreements appended as schedules thereto, is attached as **Appendix “D”**. Reference should be made to the Omnibus Agreement and the other Definitive Transaction Agreements for complete terms.

| Overview of the Definitive Transaction Agreements (Capitalized terms not otherwise defined in this summary have the meaning given to them in the applicable Definitive Transaction Agreements) | |
|--|---|
| Omnibus Agreement | <ul style="list-style-type: none"> • <u>Parties</u>: The Owner, TBI, Deltera Inc. (the “Project Manager”), Deltera Construction Limited (the “Construction Manager”), and Del Realty Incorporated (the “Sales Manager”). • <u>Purpose</u>: The Omnibus Agreement describes the key provisions that apply to each of the Definitive Transaction Agreements, including those relating to set-off, limitations of liability, the Tridel Charge, and conditions precedent to the Transaction. • The key terms of the Omnibus Agreement are summarized in Appendix “C-1”. |
| Project Management Services Agreement (the “PMSA”) | <ul style="list-style-type: none"> • <u>Parties</u>: The Owner and the Project Manager. • <u>Purpose</u>: The Project Manager is being engaged to, among other things, manage and/or supervise the development, marketing, construction, sale and/or leasing of the Project. The PMSA sets out a comprehensive suite of services to be performed by the Project Manager (the “Project Management Services”) and the terms and conditions pursuant to which the Project Management Services are to be provided. • <u>Trademarks Licence</u>: Concurrently with the entering into of the PMSA, the Owner and the Project Manager will enter into a licence agreement among the Owner, the Project Manager and Tridel Corporation pursuant to which the Owner will be granted a non-exclusive licence to use the Tridel trademark(s) in association with the development, marketing, construction, management and sale of the Residential Component and the Commercial Component. • The key provisions of the PMSA are summarized in Appendix “C-2”. |
| Construction Management Agreement (the “CMA”) | <ul style="list-style-type: none"> • <u>Parties</u>: The Owner and the Construction Manager. • <u>Purpose</u>: The Construction Manager is being engaged to take over from SKYGRiD as the construction manager of the Project. The CMA sets out the construction management services to be performed by the Construction Manager (the “Construction Management Services”) and the terms and conditions pursuant to which the Construction Management Services are to be provided. The CMA is based on a standard CCDC 5B form with certain supplemental conditions as agreed to by |

| Overview of the Definitive Transaction Agreements (Capitalized terms not otherwise defined in this summary have the meaning given to them in the applicable Definitive Transaction Agreements) | |
|--|--|
| | the Owner and the Construction Manager. <ul style="list-style-type: none"> The key provisions of the CMA are summarized in Appendix “C-3” |
| Residential Sales Agreement (the “RSA”) | <ul style="list-style-type: none"> Parties: The Owner and the Sales Manager. Purpose: The Sales Manager is being appointed as the sole and exclusive authority to act as the agent of the Owner in connection with the sale of the Units. The RSA sets out the full-service sales management and brokerage services to be provided by the Sales Manager in relation to the Units (the “Sales Management Services”) and the terms and conditions pursuant to which the Sales Management Services are to be provided. The key provisions of the RSA are summarized in Appendix “C-4”. |

6.3 The fees payable by the Owner to Tridel under each of the PMSA, CMA and RSA are summarized in the table below, with certain additional particulars also included in **Confidential Appendix “1”**, given that such particulars reflect Tridel’s commercially sensitive fee structure. As described in the Sixth Report, Tridel’s fee structure was competitive with other Development Proposals received in the SISP and was the subject of extensive negotiations between Tridel and the Receiver, in consultation with the Senior Secured Lenders.

| Tridel’s Fees and Costs (Capitalized terms not otherwise defined in this summary have the meaning given to them in the applicable Definitive Transaction Agreements) | |
|--|--|
| Project Management | <ul style="list-style-type: none"> For the Project Management Services, the Owner will pay management and services fees equal to 1.5% of total Project Costs (as defined in the PMSA) and the documented costs and expenses of the Project Manager in connection with the services to be provided under the PMSA, including personnel costs. |
| Construction Management | <ul style="list-style-type: none"> For the Construction Management Services, the Owner will pay 2.85% of the Hard Costs of Construction (as defined in the CMA, which excludes Labour Rates) and the rates of the Construction Manager’s personnel performing such services. |
| Residential Sales | <ul style="list-style-type: none"> The Owner will pay sales fees up to 2.0% (plus a potential incentive fee) of total Unit Sales Revenue (as defined in the RSA) and specified costs, including the costs of any presentation or sales centre used for the Project, the costs incurred by the Sales Manager in respect of support staff provided by the Sales Manager, the commissions and other costs payable by the Sales Manager to licensed third party |

| Tridel's Fees and Costs (Capitalized terms not otherwise defined in this summary have the meaning given to them in the applicable Definitive Transaction Agreements) | |
|--|--|
| | <p>sales agents or brokers retained by the Sales Manager to sell the Units, if required, and as consented to by the Owner. Such fees encompass the fees payable in respect of the Trademarks Licence described above.</p> <ul style="list-style-type: none"> • A component of these fees is variable and will be calculated on a “sliding scale” based on actual Unit Sales Revenue achieved in comparison to a residential net revenue target of \$1.0 billion. Depending on actual Unit Sales Revenue, the actual fees payable may result in something that is lower or higher than 2.0%. |
| Incentive Fees | <ul style="list-style-type: none"> • The Project Manager shall be entitled to earn an incentive fee based on a 25% share of any savings in the actual total Project Costs compared to the estimated total Project Costs as set out in the Development Budget, up to a maximum of \$6 million. • The Project Manager shall also be entitled to earn an incentive fee based on a 10% share of any savings in the Tarion Warranty budget. |

Project Reconfiguration

- 6.4 The configuration of the Residential Component of the Project at the Appointment Date (the “**Base Configuration**”) consisted of 415 Units (including one Unit comprised of two Units combined), of which 69 Units were located on floors above level 61 (the “**Partial Upper Floors**”) where there were only two or four Units per floor, comprised of the largest, most expensive Units in the Project, with an average saleable area of over 2,600 square feet per Unit. Floors below the Partial Upper Floors had either six or ten Units per floor. Of the 69 Units located on the Partial Upper Floors, only 19 Units were (or are) subject to a CSA (as defined below) and 50 Units remained unsold as at the Appointment Date.
- 6.5 As described in the Second Report, the Receiver’s Reconfiguration Advisors advised that there is an extremely limited market for Units of the size and sale price of those located on the Partial Upper Floors under the Base Configuration, and that the timeline required to sell the volume of such Units could be significant. Accordingly, with input from the Reconfiguration Advisors in respect of market conditions, fair market values, anticipated

velocity of sale, the limits of reconfiguration options posed by zoning requirements, site plans, permits and existing infrastructure of the Project, and after consultation with the Senior Secured Lenders and their advisors, the Receiver analyzed potential reconfiguration options for floor plates on the Partial Upper Floors and determined that it was appropriate to proceed with an alternative that would add 88 additional Units to the Partial Upper Floors (the “**Reconfiguration Plan**”), thereby increasing the total Units of the Project to 503 Units.

- 6.6 The Reconfiguration and LC Arrangement Order, among other things, approved the Reconfiguration Plan, and the Project was marketed in the SISP based on the Reconfiguration Plan.

Tridel Reconfiguration Plan

- 6.7 Tridel reviewed the Reconfiguration Plan during the SISP due diligence process and as part of its Development Proposal proposed a further reconfiguration (the “**Tridel Reconfiguration Plan**”) of the floor plates on all high-rise floors, which includes floors located above level 58 (together with the Partial Upper Floors, the “**High-Rise Floors**”) that would reduce the total number of Units in the Project (relative to the Reconfiguration Plan) by 27 Units, resulting in a total of 476 Units. The specific design changes associated with the reduction in Units are expected to optimize the number of larger Units in the Project while balancing the velocity of sales of such Units.

- 6.8 A comparison of the number of Units and the floor plate configurations contemplated under the Tridel Reconfiguration Plan as compared to each of the Base Configuration and the Reconfiguration Plan is as follows:

| Summary of Design Reconfigurations of the Project | | | |
|---|--------------------|----------------------|---------------------------------------|
| Residential Floors | Base Configuration | Reconfiguration Plan | Tridel Reconfiguration Plan |
| Levels 19 to 48 | 10-units | 10-units | 10-units |
| Levels 49 to 56 | 6-units | 6-units | 6-units |
| Levels 59 to 61 | 6-units | 6-units | 8-units (new layout) |
| Levels 62 to 63 | 4-units | 6-units | 8-units (new layout) |
| Levels 64 to 69 | 4-units | 10-units | 8-units (new layout) |
| Levels 70 to 75 | 4-units | 10-units | 6-units (new layout) |
| Levels 76 | 4-units | 6-units (new layout) | 6-units |
| Levels 79 to 81 | 2-units | 4-units | 4-units |
| Levels 82 to 85 (penthouses) | 4-units (3-storey) | 4-units (3-storey) | 7-units (five 2-storey, two 3-storey) |
| TOTAL UNITS | 415 units | 503 units | 476 units |

6.9 The Reconfiguration Advisors analyzed the Tridel Reconfiguration Plan and, with the benefit of their input, Tridel prepared a cost benefit analysis of the Tridel Reconfiguration Plan to the Reconfiguration Plan, as well as the potential impact on the Schedule. Based on the Receiver's review, this cost benefit analysis indicates that the Tridel Reconfiguration Plan is anticipated to generate meaningful additional incremental value for the Project, with minimal impact on the Schedule.

6.10 As illustrated in the table above, the Tridel Reconfiguration Plan contemplates layouts that are in most cases different than those of the Reconfiguration Plan and the Base Configuration on the High-Rise Floors.

CSA Disclaimer Notices

6.11 Within the High-Rise Floors, there were (or are) a total of 20 Units³ subject to a Condominium Sale Agreement ("CSA"), comprised as follows:

³ Representing sales totaling \$141.3 million, including HST.

- (i) four CSAs that were in default of the deposit requirements under their respective CSA (with combined deposit deficiencies totaling approximately \$4.7 million), and one CSA in respect of a penthouse Unit purchased by Sam Mizrahi, which had a deposit requirement of only \$10,000 on a sale price of \$17,427,000, including HST (collectively, the “**Unqualified Units**”); and
- (ii) 15 CSAs that are in compliance with the deposit requirements of their respective CSA (representing sales totaling \$77.1 million, including HST, in respect of which deposits totaling \$16.4 million have been received) (collectively, the “**Qualified Units**”).

6.12 Of the five Unqualified Units, three Unqualified Units are located on the penthouse levels of the Project and, under the Tridel Reconfiguration Plan, will no longer be built in accordance with the layout reflected in their respective CSA. In accordance with the Schedule, concrete pouring of the level 82 mega walls (the first penthouse level) commenced in late March 2025. Accordingly, on February 21, 2025, the Receiver determined that it was necessary and appropriate to issue disclaimer notices in respect of the CSAs for those three Unqualified Units, including Sam Mizrahi’s Unit.

6.13 Of the 15 Qualified Units: (i) the Tridel Reconfiguration Plan provides for virtually identical Units (*i.e.*, same square footage, exposure and layout) (“**Equivalent Units**”) for eight Qualified Units; and (ii) it is feasible from a design and constructability perspective to combine Units on certain of the High-Rise Floors under the Tridel Reconfiguration Plan to provide an Equivalent Unit to two additional Qualified Units (as well as one of the Unqualified Units).

- 6.14 The remaining five Qualified Units and one remaining Unqualified Unit will no longer be built in accordance with the layout reflected in their respective CSA and will not have an Equivalent Unit available under the Tridel Reconfiguration Plan. Accordingly, on April 1, 2025, the Receiver determined that it was necessary and appropriate to issue disclaimer notices in respect of the CSAs for those six Units.
- 6.15 On March 11, 2025, counsel to the Receiver received a letter from counsel to Mr. Mizrahi advising that Mr. Mizrahi intends to oppose the disclaimer of his CSA and requesting certain information from the Receiver. The Receiver's counsel responded on March 14, 2025, to provide the requested information and request that Mr. Mizrahi's counsel advise as soon as possible if Mr. Mizrahi intended to bring a motion to dispute the disclaimer. As of the date of this Joint Report, the Receiver has not been provided with any further correspondence or motion materials in this regard.
- 6.16 As of the date of this Joint Report, no objections have been received in respect of the other disclaimed CSAs and the Receiver has been in contact with certain of those purchasers to facilitate a deposit insurance claim, where applicable.

CSA Plan

- 6.17 Under the terms of the PMSA, it is a responsibility of the Project Manager to develop a plan in respect of the treatment of Units in the Project (the "**CSA Plan**"), subject to the approval of the Owner and the Court. As part of the Interim Services, the Project Manager has commenced work in respect of the development of the CSA Plan. The Monitor, if appointed, will report to the Court further in respect of the CSA Plan once it has been finalized, and will seek the Court's approval of same at that time on behalf of the

Companies. The timing of the finalization of the CSA Plan will be dependent, in part, on the timing of the engagement of the operator of the Hotel Component, which is anticipated to impact the ultimate plan for the Residential Component and the marketing and sale of the Units. The Receiver notes that in developing the CSA Plan, consideration will be given to options that may be made available to Unit purchasers whose Units were disclaimed in connection with the Tridel Reconfiguration Plan.

6.18 The Tridel Reconfiguration Plan is an integral part of the Transaction, and the Definitive Transaction Agreements have been negotiated on the basis that it will be implemented. In the Receiver's view, it is appropriate to proceed with the Tridel Reconfiguration Plan because:

- (i) with the benefit of Tridel's considerable high-rise residential development and sales management expertise, the Tridel Reconfiguration Plan contemplates optimized layouts that cater to current market demands, which will allow for the maximization of value in respect of the Residential Component;
- (ii) like the Reconfiguration Plan, it has been designed to maintain the same standard of quality construction and luxury of the Project, while providing for Units that are saleable in the current market;
- (iii) it has been extensively reviewed by the Receiver and the Reconfiguration Advisors and is supported by the Senior Secured Lenders; and
- (iv) the reconfigured layouts of the penthouse Units (five two-storey Units and two three-storey Units with an average saleable area of approximately 4,000 square

feet) provide for a further reduced timeline within which to realize maximized returns in respect of the Residential Component (given the anticipated length of time required for the market to absorb four three-storey penthouse Units with an average saleable area of approximately 6,000 square feet at the contemplated price point that remained in the Base Configuration and Reconfiguration Plan).

- 6.19 All Unit purchasers will be provided notice of the Transition Hearing and the relief sought in connection therewith, including the proposed approval of the Tridel Reconfiguration Plan.

Proposed Transaction Approval Order

- 6.20 At the Transition Hearing, the Monitor, if appointed pursuant to the proposed Initial Order, will be seeking approval of the Transaction on behalf of the Companies pursuant to the proposed Transaction Approval Order.
- 6.21 In addition to approving the Transaction and authorizing the execution of the Omnibus Agreement, the other Definitive Transaction Agreements, and any ancillary Transaction documents by the CRO on behalf of the Companies *nunc pro tunc*, the proposed Transaction Approval Order, among other things:
- (i) grants a priority charge on the Property in favour of the Tridel Parties (the “**Tridel Charge**”) as security for the Tridel Charge Obligations, being specific fee, cost and expense obligations owing to the Tridel Parties under the Definitive Transaction Agreements, with the priority set out in the proposed Initial Order;

- (ii) orders that leave of the Court shall be required for any of the Companies or the relevant Tridel Parties to terminate the Omnibus Agreement or any of the other Definitive Transaction Agreements on a motion brought on not less than 15 days' notice;
- (iii) orders that the Tridel Parties shall not be liable for any claims under or in relation to any CSAs in existence prior to the Effective Date which arise from facts or circumstances in existence prior to the Effective Date or from acts of the Companies, their agents, assigns or contractors;
- (iv) prescribes the respective responsibilities and obligations of each of SKYGRiD and the Construction Manager as it relates to the services or materials provided to the Project by any contractor, subcontractor, trade supplier, or other Person for the periods before and after the Effective Date; and
- (v) approves the Tridel Reconfiguration Plan and authorizes the Companies and the Monitor to implement same.

Recommendations of the Receiver and the Proposed Monitor

6.22 A&M, in its capacity as both Receiver and Proposed Monitor, respectfully recommends that the Court grant the Transaction Approval Order for the following reasons:

- (i) Tridel's Development Proposal represents the successful culmination of a highly competitive Court-approved SISF;

- (ii) Tridel's Development Proposal provides a value maximizing plan for the timely completion of the Project for the benefit of the Senior Secured Lenders and other stakeholders. Its Development Proposal includes various strategies for both the Residential Component and the Commercial Component to optimize utility and function, value engineering initiatives which are anticipated to save costs, and potential re-design concepts for the Project, including as contemplated by the Tridel Reconfiguration Plan;
- (iii) Tridel is an award-winning developer with an established reputation in the Canadian development industry for delivering high quality, luxury condominiums, which reputation is expected to be of significant value in the construction and marketing of the Project. Tridel's large and broad service offering, including but not limited to development management, construction management, sales management and interior design, allows it to provide in-house resources and expertise to complete the construction and development of the Project in an efficient and effective manner;
- (iv) Tridel's development and construction experience is well aligned with the size, scope and complexity of the Project. In particular, Tridel has over 90 years of home-building experience and is recognized as one of Canada's leading high-rise developers, and has completed several development projects comparable to the nature of the Project, including The Well (a mixed-use development in Toronto comprised of seven towers) and Ten York (a 65-storey condominium in Toronto);

- (v) Tridel's proposed fee structure was competitive with the other fee proposals for Development Proposals received during the SISP and was further improved through negotiating certain fees and costs and by revising certain components of Tridel's fees to be payable on a contingent basis based on revenue targets and costs savings, thereby further contributing to the objective of maximizing value;
- (vi) the Definitive Transaction Agreements are the result of extensive negotiation among the Receiver, the Senior Secured Lenders, the proposed CRO and Tridel, and reflect input from certain Project advisors and the Cost Consultant. In the Receiver's view, the provisions of the Definitive Transaction Agreements and the fees contemplated to be paid to Tridel thereunder are fair and reasonable considering the size and complexity of the Project and the circumstances under which Tridel is being retained;
- (vii) the Tridel Charge is reasonable and appropriate in the circumstances, represents a proper balancing of risk between the parties, and is necessary to facilitate the successful implementation of the Transaction;
- (viii) the other relief sought in the Transaction Approval Order is reasonable and appropriate in the circumstances; and
- (ix) the Senior Secured Lenders are supportive of the Transaction.

6.23 Notwithstanding the Receiver and the Proposed Monitor's view that the Transaction will maximize the value of the Project, the expectation remains that the Senior Secured Lenders will not recover their outstanding pre-receivership secured debt of approximately \$1.235

billion (excluding accrued interest since the Appointment Date) in full. As such, there is not expected to be any recovery for any subordinate secured lender of the Project or unsecured creditors. The Receiver and the Proposed Monitor is of the view that there was no viable proposal submitted in the SISP that would have resulted in recoveries for subordinate creditors and that the Transaction represents the best means of both maximizing value for the benefit of the Senior Secured Lenders as well as ensuring the completion of the Project for the benefit of stakeholders.

7.0 THE PROPOSED CCAA PROCEEDINGS

Transition to CCAA Proceedings

- 7.1 As previewed in the Sixth Report and outlined in the Omnibus Agreement, the transition of the Receivership Proceedings to the CCAA Proceedings is a condition precedent to the Transaction. In the view of the Receiver, Tridel and the Senior Secured Lenders, the transition to the CCAA Proceedings will best facilitate the implementation of the Transaction and the ongoing construction and completion of the Project, and will provide a better forum in which to market and sell the Units in the Residential Component and to operate, lease and ultimately sell each of the different components within the Commercial Component, all with a view to maximizing value and recoveries.
- 7.2 In the Receiver's view, the specific benefits of transitioning to the CCAA Proceedings include:
- (i) the debtor-in-possession structure of the CCAA Proceedings will permit the Units in the Residential Component to be sold in the ordinary course and directly by the Companies, rather than being marketed and sold by the Receiver on more stringent

standard receivership terms (*i.e.*, “as is, where is” with no surviving representations or warranties). Ordinary course sales by the Companies are anticipated to provide for higher Unit sale prices and are expected to better facilitate addressing certain regulatory issues relating to the sale of the Units, including with respect to working with HCRA and Tarion to ensure that all warranty and vendor licencing matters are appropriately dealt with;

- (ii) the debtor-in-possession structure of the CCAA Proceedings will provide for increased flexibility in terms of the future business operations within the Commercial Component. It is anticipated that during the CCAA Proceedings the Companies may potentially operate certain businesses prior to their respective dispositions, including in respect of the parking, retail spaces, food and beverage spaces and the hotel. The CCAA Proceedings, as compared to the Receivership Proceedings, will provide a better forum within which to: attract tenants and a hotel operator, as well as customers and employees; operate the businesses in the ordinary course; and ultimately monetize each of the components of the Commercial Component;
- (iii) the Project will remain subject to a Court-supervised process under the continued oversight of the Proposed Monitor who has developed an in-depth understanding of the Project in its capacity as Receiver, and will benefit from the assistance of Tridel and the proposed CRO who have each gained a considerable understanding of the Project over the past several months. As described in the Second Report, many of the decisions relating to the development of the Project that did not impact the Schedule were put on hold pending the outcome of the SISF. The proposed

transition to the CCAA Proceedings and the introduction of the CRO will permit the Companies to proceed with making these critical Project decisions, with input and guidance from Tridel, and in consultation with the Monitor and the Senior Secured Lenders;

- (iv) the Project will continue to benefit from continuing and/or similar relief granted in the Receivership Proceedings and there will continue to be a forum for addressing any issues that may arise on a timely basis to facilitate the ongoing and uninterrupted construction of the Project for the benefit of stakeholders; and
- (v) the Senior Secured Lenders have confirmed to the Receiver that they are committed to facilitating the continued construction of the Project to completion and realization by continuing to fund construction of the Project and the cost of the CCAA Proceedings through the proposed DIP Credit Agreement should the Transaction be approved and the CCAA relief granted by the Court.

7.3 The transition from the Receivership Proceedings to the CCAA Proceedings will not impact the ongoing construction of the Project; rather, the primary purpose of the transition is to facilitate the continued funding of such construction, the sale of Units in the Project, and the ultimate realization of value in respect of the Project. In addition, as outlined in further detail in this Joint Report, the proposed Discharge Order and the proposed Initial Order have been prepared such that the rights of various parties in interest in the Receivership Proceedings are preserved and not negatively impacted by the transition to the CCAA Proceedings.

- 7.4 In the Receiver’s and the Proposed Monitor’s view, it is appropriate to grant the Companies protection under the CCAA in the circumstances. Of note in that regard, the Applicants are Ontario-incorporated companies having assets and doing business in Canada, with their registered head office and principal place of business located in Toronto, Ontario. Further, as reported at paragraph 3.5 of the Receiver’s First Report dated February 26, 2024 (the “**First Report**”), the total secured indebtedness in respect of the Project as of October 31, 2023, was approximately \$1.9 billion, inclusive of interest, and the Companies were unable to repay the significant secured debt obligations owing to the Senior Secured Lenders and other subordinate secured lenders. Copies of the Companies’ most recent, unaudited financial statements for the year ended December 31, 2023, are attached as **Appendix “E”**.
- 7.5 The Yoon Affidavit and the First Report provide additional background information regarding the Companies and their financial position, including their indebtedness.

Proposed Initial Order

- 7.6 The Receiver is seeking the proposed Initial Order, which has been tailored to address certain matters arising as a result of the contemplated transition from the Receivership Proceedings to the CCAA Proceedings.
- 7.7 The proposed Initial Order is largely consistent with the model CCAA Initial Order, with certain exceptions to accommodate the unique circumstances of the Companies’ contemplated CCAA Proceedings, including the following:
- (i) *Protections Extended to Beneficial Owner*: The Beneficial Owner, being a limited partnership, is not a “debtor company” within the meaning of the CCAA. However,

given that the Beneficial Owner was formed to undertake the development of the Project, is the beneficial owner of the Project and is integral to the Companies' business, and owes the same indebtedness to the Senior Secured Lenders as the Applicants, the proposed Initial Order seeks to extend the benefits, protections, authorizations and obligations provided therein to the Beneficial Owner. The Receiver understands that this relief is commonly granted to a partnership where its business is integral and closely related to those of its affiliates who are applicants in CCAA proceedings and is of the view it is appropriate in the circumstances;

- (ii) *Payment for Continuing Services:* It is contemplated that payments for ongoing construction and other services in relation to the Project will continue to be made in the normal course by the Companies. Accordingly, the Initial Order contemplates that the Companies may, with the consent of the Monitor, pay amounts owing in respect of obligations incurred by the Companies or the Receiver during the Receivership Proceedings, including in respect of goods and services supplied to the Companies, the Receiver or otherwise in respect of the Project during the Receivership Proceedings, as well as payments owing by the Companies, or any of them, or owing by any Developer (as defined in the proposed Initial Order), to suppliers, contractors, subcontractors and other creditors who the Companies consider to be critical to the Project;
- (iii) *Initial Stay of Proceedings for 120 Days and Granting of "Full" CCAA Relief:* The proposed Initial Order contemplates an initial stay of proceedings of 120 days together with other customary relief under a "full" CCAA Initial Order. Although the CCAA contemplates that a stay on an initial application may only be for a 10-

day period and that relief on an initial application be limited to relief that is reasonably necessary for the continued operations of the debtor company in the ordinary course of business during that 10-day period, the rationale for this limitation (that is, avoiding procedural fairness concerns arising from the *ex parte* or limited notice nature of most initial applications under the CCAA) is not applicable in the circumstances. The Companies have been the subject of Court-supervised insolvency proceedings for more than 18 months that have included the same (or substantially similar) relief as that sought under the proposed Initial Order and all parties on the service list in the Receivership Proceedings, all known creditors, all subcontractors and trades on the Project and all Unit purchasers will have been provided with more than 10 days' notice of the Transition Hearing. In addition, the Transaction, including the contemplated transition to the CCAA Proceedings, was first reported by the Receiver in its Sixth Report dated December 11, 2024. In the circumstances, the Receiver believes an extended initial stay period and the granting of full relief is appropriate, creates further stability and certainty for the Project, and will avoid the unnecessary professional expense of a comeback hearing; and

- (iv) *Notice Requirement Exemptions:* The proposed Initial Order also contemplates that the Monitor shall be exempt from the noticing requirements under the CCAA, including the obligation to publish notice of the CCAA Proceedings in a newspaper. For the same rationale as outlined in the preceding subparagraph, it is appropriate to exempt the Monitor from these noticing requirements in the circumstances. In the context of the Receivership Proceedings, the Receiver sent notice of the

Receivership Proceedings to all known creditors, prepared and published a list showing the names of creditors and their estimated claims, and created the Case Website. The Receivership Proceedings have also been subject to extensive public media reporting. Further, as noted above, notice of the Transition Hearing will be given to all relevant stakeholders and a copy of the Initial Order (if granted) will be posted on the Case Website along with all other public filings in the CCAA Proceedings. In light of the foregoing, the Receiver is of the view that it is appropriate for the Court to dispense with the notice requirements under the CCAA.

Charges Proposed in the Initial Order

Continuation of Receivership Charges

7.8 The Court-ordered charges granted in the Receivership Proceedings pursuant to the Receivership Order are contemplated to be continued in the CCAA Proceedings with the priorities set out in the proposed Initial Order. Specifically, the Receiver's Charge in favour of the Receiver and its counsel as security for their fees and disbursements incurred in connection with the Receivership Proceedings, as well as the Receiver's Borrowings Charge in favour of the RFCA Lender (as defined below) as security for the amounts borrowed under the RFCA (as defined below), will survive the discharge of the Receiver pursuant to the proposed Discharge Order and will be continued in the CCAA Proceedings pursuant to the proposed Initial Order.

7.9 In addition, the following charges granted in the Receivership Proceedings are contemplated to be continued in the CCAA Proceedings, each with the priority set out in the proposed Initial Order:

- (i) the Lien Charges granted pursuant to the Lien Regularization Order prior to the date of the proposed Initial Order, but in all cases subject to the resolution of the related Lien Claims (as defined in the Lien Regularization Order) in accordance with the procedures established pursuant to the Lien Claims Resolution Order (as defined below); and
- (ii) the charge in favour of Royal Bank of Canada granted pursuant to the Reconfiguration and LC Arrangement Order (the “**RBC Charge**”), which charge shall remain in full force and effect and attached to the RBC Collateral Account and the RBC Collateral (each as defined in the Reconfiguration and LC Arrangement Order).

Additional Charges Contemplated by the Proposed Initial Order

7.10 In addition to providing for the continuation of the charges granted in the Receivership Proceedings as outlined above, the proposed Initial Order contemplates the following additional super-priority charges:

- (i) Administration Charge: the granting of a charge in favour of the Monitor, counsel to the Monitor, and the CRO (the “**Administration Charge**”), in an amount not to exceed \$3.5 million pending further order of the Court, as security for their professional fees and disbursements incurred in connection with the CCAA Proceedings, which Administration Charge shall rank *pari passu* with the Receiver’s Charge. The Proposed Monitor is of the view that the amount of the Administration Charge is reasonable and appropriate in the circumstances having

regard to the nature of the CCAA Proceedings and the work expected to be required by the relevant professionals on a month-to-month basis;

- (ii) DIP Lender's Charge: the granting of a charge in favour of the DIP Lender (as defined below, and such charge being the “**DIP Lender's Charge**”), in an amount not to exceed \$615 million (plus accrued and unpaid interest, fees and reimbursable expenses) pending further order of the Court, as security for the outstanding obligations of the Companies under the DIP Credit Agreement, which DIP Lender's Charge shall rank *pari passu* with the Receiver's Borrowings Charge. It is a condition of the DIP Credit Agreement that the DIP Lender's Charge be granted by the Court. The Proposed Monitor is of the view that the DIP Lender's Charge is reasonable and appropriate in the circumstances having regard to the nature of the CCAA Proceedings and the anticipated costs required to complete the construction of the Project; and
- (iii) Tridel Charge: the proposed Transaction Approval Order contemplates the granting of the Tridel Charge as security for the Tridel Charge Obligations. As set out in the proposed Initial Order, the Tridel Charge shall rank subordinate to the Administration Charge, the Receiver's Charge, the DIP Lender's Charge and the Receiver's Borrowings Charge. The Proposed Monitor is of the view that the Tridel Charge is appropriate in the circumstances and necessary to facilitate the successful completion of the Transaction.

7.11 The proposed Initial Order also contemplates the following as it relates to the priorities of the above-noted charges, which is consistent with existing relative priorities: (i) the charges

shall be subordinate to the security interest of Aviva Insurance Company of Canada in the Condo Deposits in the Condo Deposit Account (each as defined in the Yoon Affidavit); and (ii) the RBC Charge shall continue to have a first charge on the RBC Collateral Account and the RBC Collateral in accordance with the Reconfiguration and LC Arrangement Order. The foregoing is consistent with the existing relative priorities of the noted charges.

7.12 The below table provides a summary overview of the current charges existing in the Receivership Proceedings and the proposed continuing and new charges in the CCAA Proceedings:

| Overview of Current and Proposed Charges | | | | |
|--|---|---|---|---|
| Receivership Proceedings | Ranking | CCAA Proceedings | Ranking | Property Secured |
| Receiver's Charge | First | Receiver's Charge and Administration Charge, <i>pari passu</i> | First | All Property other than the Condo Deposits in the Condo Account (and subject to the RBC Charge on the RBC Collateral Account and RBC Collateral). |
| Receiver's Borrowings Charge | Second | Receiver's Borrowings Charge and DIP Lender's Charge, <i>pari passu</i> | Second | |
| — | — | Tridel Charge | Third | |
| RBC Charge | First (Only on RBC Collateral Account and RBC Collateral) | RBC Charge | First (Only on RBC Collateral Account and RBC Collateral) | RBC Collateral Account and RBC Collateral |
| Lien Charge | Subordinate to all other priority charges (Priority is otherwise as contemplated under the Construction Act (Ontario) and applicable federal law) | Lien Charge | Subordinate to all other priority charges (Priority is otherwise as contemplated under the Construction Act (Ontario) and applicable federal law) | Any security granted in respect of a Lien Claim under the Construction Act (Ontario) |

Transition Related Provisions in the Proposed Initial Order

- 7.13 As noted above, the proposed Initial Order has been carefully prepared by the Receiver and Proposed Monitor, in consultation with the proposed CRO and the Senior Secured Lenders, to address various matters arising from the transition of the Receivership Proceedings to the CCAA Proceedings, with a view to preserving the status quo and ensuring that construction of the Project continues uninterrupted and that the rights of stakeholders are not negatively impacted by the transition. To that end, in addition to providing for the continuation of the charges granted in the Receivership Proceedings as described above, the proposed Initial Order provides for certain additional transition-specific relief.

Assumed Receivership Liabilities

- 7.14 As part of the transition to the CCAA Proceedings, it is contemplated that the Companies shall assume, be liable for and discharge when due certain specified liabilities incurred by the Receiver on behalf of, or in the name of, the Companies (such liabilities being defined in the proposed Initial Order as the “**Assumed Receivership Liabilities**”).⁴ Specifically, upon granting of the proposed Initial Order, the Assumed Receivership Liabilities shall constitute liabilities of the Companies, and neither the Receiver, the Monitor or the CRO shall have any liability with respect to the Assumed Receivership Liabilities.
- 7.15 The assumption of the Assumed Receivership Liabilities by the Companies will ensure that the Assumed Receivership Liabilities continue with full force and effect in the CCAA

⁴ The Assumed Receivership Liabilities include, among other obligations, the RFCA, the Indemnity Agreement entered into with the City of Toronto relating to a temporary street occupation permit for the Project, and the Loan Agreement and Cash Collateral Agreement entered into with RBC relating to the Letters of Credit Arrangement approved by the Court pursuant to the Reconfiguration and LC Arrangement Order.

Proceedings such that there is no prejudice to the relevant stakeholders from the transition to the CCAA Proceedings, it being understood that: (i) the designation of any Assumed Receivership Liabilities as such is without prejudice to the right of the Companies to dispute the existence, validity or quantum of any Assumed Receivership Liabilities, and (ii) nothing in the proposed Initial Order will affect or waive any legal or equitable rights or defences of any party in respect of the Assumed Receivership Liabilities.

Specified Receivership Orders

7.16 During the Receivership Proceedings, the Receiver sought several Court orders, all of which contributed to ensuring the ongoing construction of the Project for the benefit of stakeholders. Given that the relief granted in these orders will continue to be necessary and appropriate in the CCAA Proceedings, the proposed Initial Order provides that each of the following orders (collectively defined in the proposed Initial Order as the “**Specified Receivership Orders**”) and the authorizations, stays, claims bars, rights, protections and other relief granted thereunder shall continue in full force and effect in the CCAA Proceedings, *mutatis mutandis*:

- (i) Lien Regularization Order: The Lien Regularization Order granted by the Court in the Receivership Proceedings on March 7, 2024 (the “**Lien Regularization Order**”), established a Court-supervised streamlined process to replace the technical requirements for preserving and perfecting a lien under the *Construction Act* (Ontario) by providing, among other things, that any person wishing to assert a Lien Claim against the Project shall do so by delivering a Lien Notice (as defined in the Lien Regularization Order) to the Receiver in accordance with the Lien

Regularization Order, following which such person would be granted a Lien Charge against the Project equivalent to, and only to the extent of, any security that would otherwise be granted in respect of the Lien Claim under the *Construction Act* (Ontario). In the context of the CCAA Proceedings, to ensure continued funding under the DIP Credit Agreement and to ensure that parties who have delivered Lien Notices are not prejudiced by the transition to the CCAA Proceedings, the Proposed Monitor is of the view that the same Court-supervised and streamlined process should continue. To that end, the proposed Initial Order contemplates that: (a) the Lien Regularization Order shall continue in the CCAA Proceedings; (b) the Lien Notices delivered or deemed to have been delivered in the Receivership Proceedings shall continue in full force and effect in the CCAA Proceedings (subject to the resolution of the underlying Lien Claims in accordance with the terms of the Lien Claims Resolution Order); and (iii) the Lien Charges granted in the Receivership Proceedings shall continue in the CCAA Proceedings in accordance with the terms of the Lien Regularization Order (provided that the Lien Charges shall be subordinate to each of the other charges described above);

- (ii) Construction Continuance Order: The Construction Continuance and Ancillary Relief Order granted by the Court in the Receivership Proceedings on March 7, 2024 (the “**Construction Continuance Order**”), was designed to promote a smooth transition of construction management from MI to SKYGRiD, in its capacity as interim construction manager of the Project, by, among other things, delineating the respective obligations and liabilities of MI and SKYGRiD towards the contractors, subcontractors and other suppliers required to continue supplying

goods and/or services to the Project pursuant to the Receivership Order. In the view of the Proposed Monitor, this delineation of responsibility as between MI and SKYGRiD, as well as the other rights and authorizations provided for in the Construction Continuance Order, should be continued in the CCAA Proceedings, with the benefit of certain interpretation rules as set out in the proposed Initial Order. Upon the Effective Date, the transition of construction management from SKYGRiD to the Construction Manager will occur and the delineation of obligations and liabilities as between SKYGRiD and the Construction Manager will be as set out in the proposed Transaction Approval Order;

- (iii) Holdback Release Order: The Order (Holdback Release) granted by the Court in the Receivership Proceedings on June 6, 2024 (the “**Holdback Release Order**”), provided a mechanism to authorize the Receiver to pay certain Holdback Amounts (as defined in the Second Report) to subcontractors relating to the period MI served as general contractor of the Project, as well as any additional holdback amounts owing to a subcontractor who fully completed its scope of work in relation to the Project as determined by the Receiver. To date, the Receiver has paid a total of approximately \$1.8 million (exclusive of HST) to six of the Holdback Parties (as defined in the Holdback Release Order) in accordance with the terms of the Holdback Release Order. In the view of the Proposed Monitor, the Holdback Release Order should be continued in the CCAA Proceedings so that the Proposed Monitor, if appointed, may be authorized to continue to pay the Holdback Amounts and any additional holdback amounts payable on behalf of the Nominee to the Holdback Parties in accordance with the Holdback Release Order. Following the

Effective Date, the holdback amounts retained during the period SKYGRiD served as construction manager, together with future holdback amounts to be retained in the post-Effective Date period, will be held together in a single holdback trust account, and are expected to be released in accordance with the *Construction Act* (Ontario), or further order of the Court;

- (iv) Reconfiguration and LC Arrangement Order: The Order (Reconfiguration and Letters of Credit Arrangement) granted by the Court in the Receivership Proceedings on June 6, 2024 (the “**Reconfiguration and LC Arrangement Order**”) approved the Reconfiguration Plan and the Letters of Credit Arrangement (each as defined and described in the Second Report). With respect to the Reconfiguration Plan, although it is contemplated to be modified in some respects by the Tridel Reconfiguration Plan, the Proposed Monitor is of the view that the approvals and authorizations related thereto should be continued into the CCAA Proceedings to facilitate the ongoing reconfiguration efforts of the Residential Component. As for the Letters of Credit Arrangement, the Companies are still required to provide letters of credit in respect of certain municipal requirements. Accordingly, the Proposed Monitor is of the view that the approvals and authorizations related to the Letters of Credit Arrangement should also be continued in the CCAA Proceedings to ensure ongoing compliance with municipal requirements and the maintenance of construction permits to facilitate the continued construction of the Project; and
- (v) Lien Claims Resolution Order: The Lien Claims Resolution Order granted by the Court in the Receivership Proceedings on August 9, 2024 (the “**Lien Claims**

Resolution Order”) established a procedure for resolving Lien Claims asserted in Lien Notices delivered pursuant to the Lien Regularization Order. The proposed Initial Order expressly contemplates the continuation of the Lien Regularization Order and the Lien Notices delivered thereunder,⁵ subject to the resolution of the Lien Claims in accordance with the Lien Claims Resolution Order, which is also contemplated to be continued in the CCAA Proceedings. In addition, the proposed Initial Order expressly contemplates that the appointment of the Claims Officers (as defined in the Lien Claims Resolution Order) shall continue in accordance with the Lien Claims Resolution Order, with all of the rights and protections afforded to the Claims Officers thereby. The Proposed Monitor is of the view that the continuation of the Lien Claims Resolution Order is appropriate in the circumstances so that a mechanism continues to be in place to ensure Lien Claims are dealt with fairly, uniformly and efficiently in a manner that conserves judicial resources following the transition to the CCAA Proceedings.

7.17 The proposed Initial Order sets out certain interpretation rules to facilitate the continuation of the Specified Receivership Orders in the CCAA Proceedings, including the following:

(i) all references to the Court in the Specified Receivership Orders shall be construed so as

⁵ As of the date of this Joint Report, there have been seven Lien Notices delivered (or deemed to have been delivered pursuant to the Lien Regularization Order): (i) a Lien Notice deemed to have been delivered by Cult Iron Works Limited as of December 1, 2023; (ii) a Lien Notice dated April 26, 2024, delivered by MI (which will be heard together with the MI Payment Motion); (iii) two Lien Notices dated March 30, 2024, and October 16, 2024, respectively, delivered by Gamma Windows and Walls International Inc.; (iv) a Lien Notice dated October 7, 2024, as amended on October 9, 2024, delivered by Modern Niagara Toronto Inc. (“**Modern Niagara**”); and (v) two Lien Notices each dated October 9, 2024, delivered by Onyx-Fire Protection Services Inc. (“**Onyx-Fire**”) (referred to collectively as the “**Unresolved Lien Claims**”). The Receiver, with the assistance of KDC, SKYGRiD and the Construction Manager, is in active discussions with Modern Niagara and Onyx-Fire in an attempt to resolve their respective Lien Claims. The other Unresolved Lien Claims are subject to pending resolution by the Court or a Claims Officer, or are expected to be referred for resolution in the near term.

to refer to the Court in the CCAA Proceedings; and (ii) all references to the Receiver and the Debtors in the Specified Receivership Orders shall be construed so as to refer to the Monitor and the Companies, respectively, provided that: (a) where the Specified Receivership Orders contemplate entering into any agreement by the Receiver, such references to the Receiver shall be construed so as to refer to the Companies entering into any such agreement; and (b) any rights and authorizations granted in favour of the Receiver shall be construed to have been granted in favour of both the Companies and the Monitor.

- 7.18 In the event any interpretation issues arise with respect to the Specified Receivership Orders following the transition to the CCAA Proceedings, the proposed Initial Order provides that the Monitor and the Receiver shall be at liberty to seek advice and directions in respect of the interpretation or application of any of the Specified Receivership Orders.

Continuing Rights

- 7.19 The proposed Initial Order contemplates that, in addition to all of the rights and authorizations contemplated to be granted to the Monitor thereunder, the Monitor shall have all of the rights of the Receiver as set forth in paragraphs 7 through 11 of the Receivership Order, which paragraphs relate to the duty to provide access to property and records and cooperation to the Receiver (which duty will extend to providing access and cooperation to the Monitor upon the transition to the CCAA Proceedings).

Name Changes

- 7.20 As part of the transition to the CCAA Proceedings, it is contemplated that the legal names of the Companies will be changed as follows:

| Current Name | Proposed New Name |
|--|---|
| Mizrahi Commercial (The One) LP | One Bloor West Toronto Commercial (The One) LP |
| Mizrahi Development Group (The One) Inc. | One Bloor West Toronto Group (The One) Inc. |
| Mizrahi Commercial (The One) GP Inc. | One Bloor West Toronto Commercial (The One) GP Inc. |

- 7.21 The Proposed Monitor is of the view that the contemplated name changes are appropriate in the circumstances, including to facilitate marketing efforts with respect to the sale of Units in the Project, which will appropriately reflect that the Mizrahi Group is no longer involved in the construction or development of the Project.
- 7.22 In terms of the process associated with the name changes, the proposed Initial Order expressly authorizes the Companies and the CRO to complete, execute and file the necessary documents to change the legal names, as well as the registered addresses, of the Companies. The proposed Initial Order contemplates that such filings shall be accepted by the Director under the *Business Corporations Act* (Ontario) and the registrar under the *Limited Partnerships Act* (Ontario) or such other relevant official without the requirement (if any) of obtaining director, shareholder or other approval.
- 7.23 Upon the official change of names of the Companies, the Monitor will serve on the service list and file with the Court a Monitor's certificate specifying the updated names, following which the names of the Companies in the style of cause of the CCAA Proceedings will be deleted and replaced with the updated names of the Companies.

8.0 A&M'S QUALIFICATIONS TO ACT AS MONITOR

- 8.1 A&M has been the Receiver of the Debtors since the Appointment Date. In its capacity as Receiver, A&M has been intimately involved in all aspects of the Project and has become

familiar with the business and operations of the Debtors, as well as the key issues surrounding the Project and its many stakeholders. A&M is therefore well-equipped to act as Monitor of the Companies.

8.2 A&M is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

8.3 The senior A&M personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants, Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees, and whom have previously acted in CCAA matters of a similar nature and scale to the contemplated CCAA Proceedings.

8.4 The Proposed Monitor has retained Goodmans to act as its independent legal counsel. Goodmans has acted as counsel to A&M in its capacity as Receiver since the Appointment Date and is also very familiar with the Project and its stakeholders.

8.5 A&M has consented to act as Monitor in the CCAA Proceedings, should the Initial Order be granted. A copy of A&M’s Consent to Act as Monitor dated April 3, 2025, is attached hereto as **Appendix “F”**.

9.0 CHIEF RESTRUCTURING OFFICER

9.1 The proposed Initial Order contemplates the approval of the CRO Engagement Letter (as defined below) and the appointment of FAAN as CRO pursuant to the terms thereof.

- 9.2 As described in the Second Report, many of the decisions relating to the development of the Project that did not impact the Schedule were put on hold pending the outcome of the SISP. Now that the SISP has successfully culminated in the Transaction, the CRO, with guidance from Tridel, can proceed with making these decisions on behalf of the Companies, in consultation with the Monitor and the Senior Secured Lenders, where appropriate.
- 9.3 FAAN is familiar with the Project and the business and operations of the Companies, having been engaged as a financial advisor to the Senior Secured Lenders in mid-July 2024. To date, FAAN's primary role as financial advisor to the Senior Secured Lenders has been to develop in-depth knowledge of the Project and the costs associated therewith, with the assistance of the Receiver, while actively participating in discussions with Tridel regarding the Transaction and assisting in the negotiation and review of the Definitive Transaction Agreements, the DIP Credit Agreement and certain other Transaction-related matters.
- 9.4 The Proposed Monitor understands that the senior personnel of FAAN who will have carriage of this mandate are senior restructuring professionals who are Chartered Professional Accountants, Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees with significant experience acting in similar roles in prior insolvency proceedings. It is the Proposed Monitor's observation that FAAN is qualified to act as the CRO given its knowledge and experience advising in other large and complex corporate restructurings, several of which were in the real estate sector, as well as its familiarity with the Project.

9.5 The engagement agreement entered into among the Companies, by the Receiver, and FAAN dated April 1, 2025, a copy of which is attached hereto as **Appendix “G”** (the “**CRO Engagement Letter**”), sets forth the terms pursuant to which the Companies have engaged FAAN to act as CRO of the Companies. Without limiting the rights and authorizations granted to the CRO and the Monitor pursuant to the proposed Initial Order, the CRO Engagement Letter contemplates that the CRO will be responsible for, among other things, the following:

- (i) assisting the Companies during the contemplated CCAA Proceedings;
- (ii) managing the CCAA Proceedings on the Companies’ behalf, including, but not limited to: (a) executing agreements for and on behalf of the Companies; and (b) working closely with Tridel and other parties involved in the Project, including making decisions on behalf of the Companies regarding the ongoing development of the Project, as contemplated by the Definitive Transaction Agreements;
- (iii) serving as the Companies’ primary contact with, and working closely with, the Proposed Monitor and other professionals involved in the CCAA Proceedings;
- (iv) dealing with key stakeholders in the CCAA Proceedings, including the Senior Secured Lenders;
- (v) provide such other services as are customarily provided by the CRO of a company, and agreed to by FAAN, that are not duplicative of work others are performing for the Companies; and
- (vi) perform all other duties and functions as set forth in the proposed Initial Order.

- 9.6 Pursuant to the proposed Initial Order, the Monitor shall be authorized to act on behalf of the Companies in connection with the rights and obligations of the Companies as set out in the CRO Engagement Letter.
- 9.7 The fees payable to the CRO pursuant to the CRO Engagement Letter shall include a fixed monthly work fee of \$80,000 (the “**Monthly Work Fee**”), plus HST and documented out-of-pocket expenses incurred in connection with, or arising out of FAAN’s activities under or contemplated by the CRO Engagement Letter or any Order made in the CCAA Proceedings. In addition to the Monthly Work Fee, FAAN shall be entitled to a discretionary incentive fee of up to \$850,000 based on FAAN’s performance during its mandate, to be evaluated by the Senior Secured Lenders in their sole discretion.
- 9.8 The Proposed Monitor is of the view that the scope of the services and the fees contemplated under the CRO Engagement Letter are appropriate in the circumstances having regard to the size and complexity of the Project, and that the terms of the CRO Engagement Letter are otherwise reasonable and consistent with comparable engagements.
- 9.9 Since the Appointment Date, the remaining director(s) and officer(s) of the Companies (who are all representatives of the Project’s equity holders) have not been involved in the management of the Companies, nor would their go-forward involvement be appropriate in the circumstances given the Receivership Proceedings and that the Project’s equity holders no longer have any economic interest in the Project. The engagement of the CRO in the context of a debtor-in-possession CCAA Proceeding is therefore necessary to ensure there is a party in place who is authorized to exercise any powers which may have otherwise been exercised by a board of directors or any officers of the Companies, including as it

relates to decisions regarding the development of the Project. FAAN has consented to act as CRO on the terms of the CRO Engagement Letter and the proposed Initial Order.

10.0 RFCA AND DEBTOR-IN-POSSESSION FINANCING

- 10.1 The Receivership Order empowered the Receiver to borrow, by way of the Receivership Funding Credit Agreement dated October 18, 2023 (the “**RFCA**”), entered into with KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530, as lender (in such capacity, the “**RFCA Lender**”), up to \$315 million to fund ongoing Project costs and costs relating to the Receivership Proceedings. Advances made under the RFCA to date amount to approximately \$252.8 million (excluding accrued interest) and are secured by the Receiver’s Borrowings Charge, which, as noted above, is contemplated to be continued in the CCAA Proceedings.
- 10.2 To give continuing effect to the Receiver’s Borrowings Charge in the CCAA Proceedings and to reflect that any future advances will be provided under the DIP Credit Agreement should the Initial Order be granted by the Court and the Transaction approved, on March 31, 2025, the RFCA Lender waived the requirement of the Borrower (as defined below) under the RFCA to repay all amounts owing on March 31, 2025 and on the termination or conversion of the Receivership Proceedings, and to comply with all other obligations under the RFCA (the “**Repayment Waiver**”), provided that: (i) the Repayment Waiver shall remain in effect until April 30, 2025; and (ii) the Borrower shall remain obligated to repay all amounts owing, and to comply with all other obligations under the RFCA, upon the early termination of such agreement by the RFCA Lender upon the occurrence of an event of default thereunder.

- 10.3 In addition, should the Initial Order be granted by the Court, the Transaction be approved and the Companies be authorized to borrow under the DIP Credit Agreement, the RFCA Lender will provide the Borrower under the RFCA with a further waiver to waive compliance of the Borrower to repay all amounts owing, and to comply with all other obligations and covenants under the RFCA, until the earlier of: (i) the Maturity Date (as defined below) under the DIP Credit Agreement; and (ii) the occurrence of an event of default under the DIP Credit Agreement.
- 10.4 At the time of the Appointment Date, it was understood that funding beyond the maximum amount available under the RFCA would likely be required to complete the construction of the Project. As of the date of this Joint Report, based on the updated Cost to Complete, significant additional funding is required to bring the Project to completion in a manner that maximizes value. The Senior Secured Lenders have advised that they are prepared to provide such funding by way of the debtor-in-possession credit agreement made as of April 3, 2025 (the “**DIP Credit Agreement**”) between, among others, the Companies and KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530, as lender (in such capacity, the “**DIP Lender**”),⁶ provided that the Transaction be approved and implemented and the CCAA relief be granted by the Court (among other conditions to funding).
- 10.5 The proposed Initial Order authorizes and empowers the Companies to borrow up to \$615 million by way of the DIP Credit Agreement, which amount has been determined, in consultation with the Cost Consultant, the proposed CRO, the DIP Lender, Tridel, and the

⁶ KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530 is also the RFCA Lender.

Receiver, to be sufficient at this time to finance the Cost to Complete, the costs of the CCAA Proceedings, and the costs relating to the Receiver Incidental Matters. Amounts advanced by the DIP Lender are contemplated to be secured by the DIP Lender's Charge.

10.6 A copy of the DIP Credit Agreement is attached as Schedule "G" to the Omnibus Agreement. A summary of certain key terms of the DIP Credit Agreement is set out below. Reference should be made to the DIP Credit Agreement for complete terms.

| DIP Credit Agreement (Capitalized terms not otherwise defined in this Joint Report have the meaning given to them in the DIP Credit Agreement) | |
|--|---|
| Parties | <ul style="list-style-type: none"> • The Beneficial Owner and the Nominee (together, the "Borrower"); • GP Inc. (together with the Borrower, the "Credit Parties"); • IGIS Asset Management Co. (the "Asset Manager"); and • The DIP Lender. |
| Credit Facility | <ul style="list-style-type: none"> • The DIP Lender shall establish in favour of the Borrower a non-revolving term credit facility in the amount equal to the Available Credit, being the amount of \$615 million, as such amount may be reduced in accordance with the terms of the DIP Credit Agreement (the "Credit Facility"). |
| Purpose of Credit Facility | <ul style="list-style-type: none"> • The Credit Facility will only be used for the following purposes: <ul style="list-style-type: none"> (i) to fund Approved Project Costs in accordance with the DIP Credit Agreement, including the Cash Flow Projections; (ii) to fund the maintenance of the Funding Reserve; (iii) to fund costs incurred by the Monitor, the Monitor's legal counsel, and the CRO (and its counsel) in connection with the DIP Credit Agreement, the Credit Facility and the CCAA Proceedings including, without limitation, the costs of defending and pursuing the Existing Litigation and any Receiver Incidental Matters; and (iv) to pay fees payable to the DIP Lender and the Asset Manager pursuant to the DIP Credit Agreement, and to pay the fees, costs and expenses incurred by the DIP Lender and the Asset Manager in connection with all preparations, negotiations and administration in respect of the DIP Credit Agreement, the other Loan Documents and the CCAA Proceedings. |
| Advances | <ul style="list-style-type: none"> • The Credit Facility shall be made available in multiple advances (each a "Financing Advance"). |
| Interest | <ul style="list-style-type: none"> • The Borrower will pay interest on the Credit Facility at a rate equal to 4.5% per annum, calculated, accrued and compounded daily and payable on the Maturity Date in full. |
| Certain Key Conditions Precedent to First Advance | The obligation of the DIP Lender to make the First Advance is subject to and conditional upon the prior satisfaction of certain conditions precedent set out in Section 3.03 of the DIP Credit Agreement, including, but not limited to the following: |

| DIP Credit Agreement (Capitalized terms not otherwise defined in this Joint Report have the meaning given to them in the DIP Credit Agreement) | |
|--|--|
| | <ul style="list-style-type: none"> all conditions precedent to funding set out in Section 3.02 of the DIP Credit Agreement shall be satisfied; duly executed copies of the Loan Documents will have been delivered to the DIP Lender and the Security will have been duly registered, filed and recorded, if and as required by the DIP Lender; duly executed copies of the Developer Agreements, which include the Definitive Transaction Documents, will have been delivered to the DIP Lender; and SKYGRiD shall have assigned all of its interest in contracts and subcontracts for construction at the Secured Property to the Construction Manager. |
| Certain Key Conditions Precedent to Funding | <p>The Borrower's right to obtain any Financing Advance is subject to and conditional upon satisfaction of the conditions precedent outlined in Section 3.02 of the DIP Credit Agreement, including, but not limited to:</p> <ul style="list-style-type: none"> the DIP Lender shall have received a Financing Request Notice at least 10 Business Days prior to the proposed date of the Financing Advance, which notice shall set out a breakdown of the Approved Project Costs and Other Costs proposed to be paid with such Financing Advance, of any top-up requested to the Funding Reserve, if applicable and of the amount to be deposited in the Holdback Account; the Court shall have issued the Discharge Order, the Initial Order and the Transaction Approval Order, each in the form attached to the DIP Credit Agreement (subject to such changes as are approved by the DIP Lender) on or before April 17, 2025, and the Initial Order and the Transaction Approval Order shall be in full force and effect and shall not have been stayed, reversed, vacated, appealed or otherwise amended, restated or modified without the written consent of the DIP Lender, and no motion to amend, vary, vacate or stay either the Initial Order or the Transaction Approval Order shall have been made; no Default or Event of Default will have occurred and be continuing on the proposed date of the Financing Advance, or would result from the applicable Financing Advance; and no Financing Advance shall be made for an amount that will cause the total of all amounts advanced under the Credit Facility to exceed the Available Credit and no Financing Advance shall be made in respect of Project Costs that are not Approved Project Costs or in respect of Other Costs that are not incurred in accordance with the Cash Flow Projections. |
| Repayment and Reduction of Available Credit | <ul style="list-style-type: none"> The Borrower shall repay in full the Outstanding Loans advanced under the Credit Facility and all other Obligations under or in respect of the Credit Facility on the Maturity Date. The Available Credit shall be reduced in the following instances on a dollar for dollar basis, in each case subject to the terms of the DIP Credit Agreement: <ul style="list-style-type: none"> (i) following prepayment by the Borrower of amounts owing under the Credit Facility; (ii) if the Borrower enters into a binding commitment with the Deposit Insurer for deposit insurance that permits the use of Purchaser Deposits received after the Closing Date to fund Project Costs and such Purchaser Deposits are actually available to the Borrower to fund Project Costs; (iii) if the aggregate amount of a Project Budget is reduced in accordance with the DIP Credit Agreement; and (iv) if all or any part of the Commercial Project is sold, or if any other revenues or other amounts are received by the Borrower that are not provided for in the Project Budget. |

| DIP Credit Agreement (Capitalized terms not otherwise defined in this Joint Report have the meaning given to them in the DIP Credit Agreement) | |
|--|--|
| Funding Reserve | <ul style="list-style-type: none"> The Borrower will maintain a Funding Reserve, which Funding Reserve shall be sufficient to pay for anticipated Approved Project Costs and Other Costs for a rolling period of two months. An amount of the Funding Reserve equal to \$400,000 shall be held in the Tridel Project Disbursement Account as the “Cash Float” provided for in the PMSA. In the event the Funding Reserve is not sufficient to cover anticipated Approved Project Costs and Other Costs for a rolling period of two months, the Borrower shall have the right to request that the next advance under the Credit Facility include a top-up to the Funding Reserve. |
| Maturity Date | <ul style="list-style-type: none"> The Maturity Date shall be the earliest to occur of: (i) the Outside Date (being December 31, 2028); (ii) the early termination of the DIP Credit Agreement by the DIP Lender upon the occurrence of an Event of Default; (iii) the termination or conversion of the CCAA Proceedings; and (iv) payment in full of the Obligations. |
| Nature of Liability and Obligations | <ul style="list-style-type: none"> The DIP Lender shall have recourse only to the assets, property and undertaking of the Borrower that are subject to the CCAA Proceedings to satisfy the Obligations and the DIP Lender shall have no recourse to the CRO, the Monitor or any of their respective affiliates, shareholders, directors, officers or employees. |
| Governing Law and Jurisdiction | <ul style="list-style-type: none"> The DIP Credit Agreement will be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province, and each Credit Party irrevocably and unconditionally submits to the nonexclusive jurisdiction of the Court in any action or proceeding arising out of or relating to the Loan Agreements. |

10.7 The Proposed Monitor notes the following with respect to the DIP Credit Agreement:

- (i) the credit facility contemplated by the DIP Credit Agreement is the only source of funding available to the Companies in the circumstances to continue, and ultimately complete, the construction of the Project. No viable proposals received in the SISP contemplated funding to complete construction being provided by any party other than the Senior Secured Lenders and, in the view of the Proposed Monitor: (a) no third party lender would be prepared to fund junior to the Senior Secured Lenders given the quantum of outstanding priority secured debt owing to the Senior Secured Lenders (including the RFCA Lender) in excess of \$1.5 billion (including interest); and (b) it is unlikely that any third party lender would be prepared to fund in priority

to the Senior Secured Lenders and the RFCA Lender (even assuming same was consented to) in the circumstances and at the below market rates and without financing fees as the DIP Lender has agreed to. Accordingly, in the circumstances, including that the Senior Secured Lenders are the sole economic interest holder in recoveries from the Project, the Proposed Monitor does not believe soliciting alternative DIP financing proposals was required or appropriate in the circumstances;

- (ii) the terms of the DIP Credit Agreement are the result of extensive negotiations as between the Receiver, on behalf of the Companies, and the DIP Lender and their respective advisors, and represent terms that are fair and reasonable in the circumstances;
- (iii) the Proposed Monitor is satisfied that the economic terms of the DIP Credit Agreement are fair and reasonable. A comparative pricing analysis of the DIP Credit Agreement prepared by the Proposed Monitor is included in **Appendix “H”** attached hereto. Of note, there are no fees being charged by the DIP Lender and the interest rate (4.5% per annum) is less than the RFCA and below rates charged in other recent real estate development insolvency proceedings;
- (iv) the DIP Credit Agreement is subject to the Court’s approval of each of the proposed Initial Order, Transaction Approval Order and Discharge Order;
- (v) the terms and conditions of the DIP Credit Agreement are similar to those of the RFCA and the Companies’ pre-receivership credit facility, with changes necessary to conform to the contemplated CCAA Proceedings;

- (vi) the Proposed Monitor is of the view that there is no material prejudice to other creditors as a result of the Companies' obtaining further priority funding pursuant to the DIP Credit Agreement, including because: (a) without the funding contemplated by the DIP Credit Agreement, the Companies will be unable to complete construction and monetization of the Project, which would otherwise be left as an incomplete building; and (b) the Senior Secured Lenders are the only secured lender to the Project with an economic interest given the current debt outstanding and the results of the SISP; and
- (vii) based on the Development Budget and Cost to Complete, the DIP Credit Agreement is projected to provide the Companies with sufficient liquidity during the CCAA Proceedings to complete the construction of the Project as contemplated under the Transaction, to fund the administration of the CCAA Proceedings, and to facilitate the realization of value from the Project.

10.8 For the reasons outlined above, the Proposed Monitor respectfully recommends that the Court approve the DIP Credit Agreement.

11.0 CASH FLOW FORECAST

11.1 The Proposed Monitor has prepared a cash flow forecast (the "**Cash Flow Forecast**") for the 20-week period from April 12, 2025, to August 29, 2025 (the "**Cash Flow Period**"). A copy of the Cash Flow Forecast, together with a summary of assumptions (the "**Cash Flow Assumptions**") and the report on the cash-flow statement required by section 10(2)(b) of the CCAA are attached hereto as **Appendices "I"** and **"J"**, respectively. A summary of the Cash Flow Forecast is set out in the following table.

| Cash Flow Forecast | \$000s |
|---|--------------------|
| Total Receipts | \$ 8,151 |
| <u>Disbursements:</u> | |
| Construction Costs | (72,171) |
| Design Related Costs | (5,262) |
| General, Administrative & Other | (709) |
| Project & Sales Management | (2,816) |
| Land & Development Costs | (11,615) |
| Restructuring Professional Fees | (8,335) |
| Total Disbursements | (\$100,908) |
| Net Cash Flow | (\$92,757) |
| <u>Construction Account</u> | |
| Opening Cash | 63,708 |
| Net Cash Flow | (92,757) |
| DIP Facility Advances | 85,000 |
| Ending Cash Balance (Construction Account) | \$ 55,951 |

11.2 The Proposed Monitor notes the following with respect to the Cash Flow Forecast:

- (i) receipts are limited to HST refunds only at this time. No receipts from the sale of Units or related deposits are contemplated during the Cash Flow Period;
- (ii) disbursements are forecast based on the anticipated costs to be incurred during the Cash Flow Period as contemplated in the current Cost to Complete and Schedule;
- (iii) restructuring professional fees include the fees of the Proposed Monitor, Goodmans, the CRO and legal counsel to the Senior Secured Lenders;
- (iv) the opening cash balance of approximately \$63.7 million is the current balance in the Receiver's trust account used to fund construction costs (the "**Construction Account**"). Upon the commencement of the proposed CCAA Proceedings, the

Monitor, if appointed, will update the trust account to be in the name of the Monitor for the benefit of the Companies in accordance with the DIP Credit Agreement; and

- (v) in accordance with the proposed Initial Order, the Monitor, if appointed, will maintain a reserve in respect of the Unresolved Receivership Claims in a total amount of approximately \$11.7 million.

11.3 Based on the Proposed Monitor's review,⁷ nothing has come to its attention that causes it to believe, in all material respects, that:

- (i) the Cash Flow Assumptions are not consistent with the purpose of the Cash Flow Forecast;
- (ii) as at the date of this Joint Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Cash Flow Forecast, given the Cash Flow Assumptions; or
- (iii) the Cash Flow Forecast does not reflect the Cash Flow Assumptions.

11.4 The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

⁷ The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed Monitor by section 23(1)(b) of the CCAA. Section 23(1)(b) requires a Monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the court on the Monitor's findings.

12.0 RECEIVER DISCHARGE AND RELATED RELIEF

12.1 As part of the relief being sought at the Transition Hearing, in light of the contemplated transition to the CCAA Proceedings, the Receiver is bringing a motion seeking approval of the proposed Discharge Order, among other things:

- (i) discharging the Receiver as Receiver of the Property, provided that the Receiver shall remain Receiver for the performance of such incidental matters as may be required to complete the administration of the receivership, including, without limitation, as it relates to the Assumed Receivership Liabilities and the Receivership Litigation;⁸
- (ii) ordering that notwithstanding the discharge of the Receiver, the Receiver and its counsel shall continue to have the benefit of all of the rights, approvals, protections, releases, charges and stays of proceedings in favour of the Receiver and its counsel at law or pursuant to the Receivership Order or any other order made in the Receivership Proceedings;
- (iii) approving certain reports of the Receiver issued in the Receivership Proceedings, including this Joint Report, and the actions, conduct and activities of the Receiver prior to the date of the Discharge Order in relation to the Debtors and the Receivership Proceedings, provided, however, that only the Receiver, in its

⁸ The Assumed Receivership Liabilities are defined in the proposed Initial Order and are further described herein. The Receivership Litigation is defined in the proposed Initial Order and includes: (i) the motion of MI brought in the Receivership Proceedings dated February 27, 2024, and the related cross-motion brought by the Receiver dated October 18, 2024; and (ii) the motion of Gamma Windows and Walls International Inc. brought in the Receivership Proceedings dated June 17, 2024.

personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval;

- (iv) ordering that the Receiver's Charge, the Receiver's Borrowings Charge, the Lien Charges and the RBC Charge shall survive the discharge of the Receiver and remain in full force and effect, with the priority set out in the proposed Initial Order;
- (v) approving the fees and disbursements of the Receiver and its counsel for the period from on or about the Appointment Date to March 15, 2025, and March 16, 2025, respectively, and ordering that the fees and disbursements of the Receiver and its counsel for the period after March 15, 2025, and March 16, 2025, respectively, shall be deemed to be the fees of the Monitor and its counsel, approval of which shall be sought in accordance with the proposed Initial Order;
- (vi) releasing the Receiver and the other Released Persons from any and all liability that the Released Persons now or may have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver or the Receivership Proceedings, save and except for any gross negligence or wilful misconduct on a Released Person's part with respect to that Released Person alone; and
- (vii) confirming that the Unresolved Lien Claims and Unresolved Receivership Claims⁹ shall not be released, it being understood that the Receiver and the other Released Persons shall have no personal or corporate liability for the Unresolved Lien Claims

⁹ The "**Unresolved Receivership Claims**" and related reserve amounts are specified in the Discharge Order and relate to motions brought by MI and Gamma seeking orders directing the Receiver to pay specified amounts to them.

or Unresolved Receivership Claims and recourse for same shall be limited to the Lien Charges and the applicable claims reserve maintained by the Monitor in respect of the Unresolved Receivership Claims, respectively, and all Receivership Litigation shall remain subject to the jurisdiction of the Court in the CCAA Proceedings.

Professional Fees

- 12.2 Pursuant to paragraphs 24 and 25 of the Receivership Order, the Receiver and its legal counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and the Receiver and its legal counsel shall pass their accounts from time to time before the Court.
- 12.3 Included in the Receiver's Motion Record in respect of the Discharge Order is the Affidavit of Stephen Ferguson, a Senior Vice President at A&M, sworn April 2, 2025 (the "**A&M Fee Affidavit**") attesting to the fees and disbursements of the Receiver in respect of the Receivership Proceedings, for the period from October 18, 2023, to March 15, 2025, in the aggregate amount of \$10,907,261.64 comprised of fees of \$9,583,162.00, disbursements of \$69,464.01, and HST of \$1,254,635.57.
- 12.4 Also included in the Receiver's Motion Record in respect of the Discharge Order is the Affidavit of Brendan O'Neill, a partner at Goodmans, sworn April 2, 2025 (the "**Goodmans Fee Affidavit**") attesting to the fees and disbursements of Goodmans incurred in respect of the Receivership Proceedings, for the period from October 19, 2023, to March 16, 2025, in the aggregate amount of \$6,722,310.73, comprised of fees of \$5,917,984.50, disbursements of \$31,065.18, and taxes of \$773,261.05.

- 12.5 The Receiver confirms that the fees and disbursements set out in Goodmans' invoices relate to advice sought by the Receiver and assistance provided in respect of the Receivership Proceedings, and that, in the Receiver's view, Goodmans' fees and disbursements are properly chargeable, reasonable and appropriate.
- 12.6 It is the Receiver's view that the fees and disbursements of the Receiver and its legal counsel described in the A&M Fee Affidavit and the Goodmans Fee Affidavit, respectively, are reasonable and appropriate in the circumstances having regard to the scope of activity undertaken in the Receivership Proceedings, which activity and achievements, as described throughout this Joint Report and the Prior Reports, have included, among other things: (i) ensuring the uninterrupted construction of the Project from the Appointment Date to date; (ii) successfully transitioning construction management of the Project from MI to SKYGRiD with minimal impact to trades and suppliers; (iii) with the assistance of the Broker, completing a successful SISP in respect of the Project, which SISP has resulted in the proposed Transaction; (iv) diligently attending to complex litigation matters and disputes involving current and former contractors and subcontractors engaged on the Project, including various matters involving MI; and (v) planning for the next phase of development of the Project, which is anticipated to include the Companies transitioning to the CCAA Proceedings and Tridel taking over as construction manager, project manager and sales manager as of the Effective Date.

13.0 RECEIPTS AND DISBURSEMENTS

- 13.1 Actual receipts and disbursements for the period from the Appointment Date to March 31, 2025 (the "**Reporting Period**") are summarized in the following table:

| Receipts and Disbursements | \$000s |
|---|--------------------|
| HST Refunds, Interest and Other Receipts | 37,355 |
| Total Receipts | \$ 37,355 |
| <u>Disbursements:</u> | |
| Construction Costs | (202,975) |
| Design Related Costs | (7,695) |
| General, Administrative & Other | (3,874) |
| Project & Sales Management | (1,051) |
| Land & Development Costs | (6,630) |
| RFCA Financing Commitment Fee | (4,725) |
| Other One Time Costs | (4,317) |
| Restructuring Professional Fees | (26,341) |
| Total Disbursements | (\$257,609) |
| Net Cash Flow | (\$220,254) |
| <u>Construction Account</u> | |
| Opening Cash | 31,148 |
| Net Cash Flow | (220,254) |
| RFCA Advances | 252,814 |
| Ending Cash Balance (Construction Account) | \$ 63,708 |

13.2 During the Reporting Period:

- (i) total receipts of approximately \$37.4 million consisted of approximately \$25.4 million of HST refunds, with the remainder being interest and other miscellaneous collections; and
- (ii) total disbursements of approximately \$257.6 million were incurred in the ordinary course of construction and in connection with the Receivership Proceedings, and included ongoing approved Project costs comprised of payments to contractors, subcontractors and other suppliers, construction management fees paid to MI and to SKYGRiD, payment of the Tridel Advances, transfer of holdback amounts into the segregated holdback accounts, costs for various consultants including design, engineering, and architectural consultants, and for certain non-construction costs,

including property taxes, insurance, permits, administrative costs, certain miscellaneous and non-recurring amounts, and the Receiver's fees and expenses incurred in exercising its powers and duties as Receiver, including those of the Receiver's independent legal counsel, and fees and expenses of the Senior Secured Lenders' legal counsel.

13.3 As at March 31, 2025, the Receiver had drawn \$252.8 million (exclusive of accrued interest) under the RFCA. The outside date for repayment of obligations under the RFCA is April 30, 2025. As more particularly described above, it is expected that upon approval of the proposed Initial Order, the RFCA will become an Assumed Receivership Liability, and the obligations thereunder will become liabilities of the Companies and neither the Receiver, the Monitor or the CRO shall have any liability with respect to the RFCA.

13.4 As at March 31, 2025, the Receiver was holding approximately \$63.7 million in the Construction Account.¹⁰ As noted above, these funds will continue to be used to fund ongoing Project costs and the costs of the proposed CCAA Proceedings.

14.0 UPDATE ON OTHER MATTERS

Transition of Construction Management

14.1 The Receiver has worked with Tridel and SKYGRiD in connection with the preparation of a detailed construction management transition plan aimed at ensuring Tridel has all requisite information and systems in place to allow it to take over as construction manager

¹⁰ In addition to these funds which are held in the Construction Account, the Receiver is also holding an additional \$19.5 million in the Receiver's holdback accounts as at March 31, 2025.

and project manager in an efficient manner as of the Effective Date. During the Interim Period, the Receiver's activities in this regard have included the following:

- (i) implementing a communication plan whereby letters were sent to trades, consultants, suppliers and other key stakeholders, including, among others, Unit purchasers, Tarion Warranty Corporation ("**Tarion**"), the Home Construction Regulatory Authority ("**HCRA**"), and the City of Toronto advising that the SISP had culminated in the Receiver entering into the Term Sheet with Tridel and providing information in respect of the proposed Transaction and the contemplated transition to the CCAA Proceedings;
- (ii) accompanying KDC, Tridel and SKYGRiD on regular site tours of the Project to, among other things, familiarize Tridel with the safety protocols in place and the overall status of construction of the Project;
- (iii) with the assistance of KDC, SKYGRiD and the Cost Consultant, providing Project-related information to Tridel to assist it with the completion of the transition-related Interim Services;
- (iv) together with KDC, attending numerous meetings with Tridel, SKYGRiD, and the Project's trades and consultants to familiarize Tridel with certain contracts, purchase orders and trade-related matters with a view to ultimately transitioning the oversight of such matters to Tridel;
- (v) attending calls with the Companies' insurance broker to address any insurance-related matters in preparation for the transition to Tridel; and

- (vi) communicating with Tarion and the HCRA to advise of Tridel’s engagement and certain Transaction-related matters.

14.2 On April 2, 2025, in light of the contemplated approval and implementation of the Transaction, in accordance with the terms of the CCDC 5B 2010 Construction Management Contract – for Services and Construction entered into between SKYGRiD and the Receiver on June 5, 2024 (the “**SKYGRiD CMA**”), the Receiver provided notice to SKYGRiD of its intention to terminate the SKYGRiD CMA, with such termination to be effective upon the transition of construction management to Tridel. SKYGRiD will continue to assist with transition-related matters during the notice period.

The Commercial Component and Hotel Process

14.3 At the time of the Receiver’s appointment, Hyatt Hotels of Canada Inc. and certain of its affiliates had been engaged to operate the Hotel Component of the Project under the Andaz brand, and King Street Company Inc. was contracted to lease portions of the Commercial Component for the purposes of establishing food and beverage and venue facilities. The Receiver, in consultation with the Broker, determined that there were opportunities to explore further value maximizing options in respect of the Commercial Component, and accordingly, the Commercial Component, including the individual components thereof were marketed in the SISP pursuant to the SISP Approval Order.

14.4 The Development Proposals received in the SISP included proposals on value maximizing opportunities and proposed business plans for the Commercial Component, including in respect of the Hotel Component and food and beverage components. With respect to the Hotel Component, based on the Development Proposals received, together with additional

analyses and market research prepared by the Receiver and its advisors in respect of value-maximizing alternatives for the Hotel Component, and considering that it was a condition precedent in the Term Sheet, the Receiver determined that the Existing Hotel Agreements and the Existing F&B Agreements (each as defined in the Term Sheet) should be disclaimed in order to provide the best opportunity to maximize value from the Commercial Component. Accordingly, upon obtaining the consent of the Senior Secured Lenders in accordance with the RFCA, on February 6, 2025, the Receiver issued disclaimer notices to the relevant counterparties to each of the Existing Hotel Agreements and the Existing F&B Agreements.

- 14.5 The Term Sheet contemplated that Tridel would conduct a process after the Effective Date to assist in selecting a new operator of the Hotel Component. However, given the accelerated pace at which construction of the Project is proceeding, the anticipated timing of the Effective Date and the need to select and engage a new operator of the Hotel Component before the CSA Plan can be finalized and renewed marketing of the Units can proceed, the Receiver, in consultation with Tridel and the Senior Secured Lenders, determined it was appropriate to commence the hotel operator selection process during the Interim Period. Accordingly, promptly following the disclaimer of the Existing Hotel Agreements, the Receiver engaged Jones Lang LaSalle Americas, Inc. (“**JLL Americas**”) as hotel advisor (the “**Hotel Advisor**”) to conduct a targeted hotel operator selection process. As part of the Project Management Services, the Project Manager will assist in the process for the selection of a new operator of the Hotel Component, make recommendations to the Owner with respect to same, and prepare and/or review any agreements to be entered into in connection with the Hotel Component.

14.6 The Receiver's decision to engage JLL Americas as the Hotel Advisor was based on a combination of factors, including: (i) JLL Americas is qualified, experienced and capable of acting as the Hotel Advisor; (ii) JLL Americas has substantial experience in leading requests for proposals and hotel operator selection processes in North America and abroad; (iii) JLL Americas has an extensive and relevant network across North America and internationally; and (iv) JLL Americas' proposed fee structure for the hotel selection process is reasonable and appropriate.

14.7 Pursuant to the engagement letter entered into between the Receiver and the Hotel Advisor, the Hotel Advisor will be paid a total of US\$200,000 in professional fees for its services, to be paid in accordance with the following terms:

- (i) US\$50,000 is to be paid to the Hotel Advisor at the commencement of the term of its engagement, with US\$25,000 monthly installments to be paid thereafter, with any unpaid balance due upon completion or termination of the engagement (provided that if the engagement is terminated for cause, any unpaid balance shall not be due);
- (ii) if the term of the Hotel Advisor's engagement is to extend beyond nine months from the commencement of its mandate, an additional professional fee of US\$10,000 will be charged monthly until the completion or termination of the engagement;
- (iii) to the extent a hotel operator, brand, franchisor or other partner facilitated by the Hotel Advisor contributes to the Project, a professional fee of 2.0% of any key money, equity contribution or any other financial contribution shall become due

and payable to the Hotel Operator upon execution of the agreements relating to such contribution; and

- (iv) JLL shall be reimbursed for all reasonable and documented out-of-pocket costs and expenses incurred within the scope of its engagement (with no markup).

14.8 As of the date of this Joint Report, the hotel operator selection process is underway and the Receiver anticipates that initial non-binding proposals in respect of same will be received within one to two months.

MI Payment Motion and Receiver's Cross Motion

14.9 As reported in certain of the Prior Reports, the Receiver is engaged in an ongoing dispute with MI regarding the payment of certain amounts MI alleges the Receiver owes to it for work MI completed as construction manager of the Project in the post-receivership period (the "**MI Payment Motion**"). The Receiver has commenced a cross-motion (the "**Receiver's Cross-Motion**") seeking repayment of certain funds MI charged to the Debtors, which the Receiver alleges MI was not entitled to charge.

14.10 The MI Payment Motion and the Receiver's Cross-Motion are scheduled to be heard over the course of three days, from June 17 to 19, 2025. The parties have delivered their motion records and cross-examinations are scheduled to be completed on April 14 and 15, 2025. The parties will exchange factums by June 9, 2025.

14.11 MI also delivered a Lien Notice on April 26, 2024, in respect of a Lien Claim in the amount of \$11,041,387.76 (the "**MI Lien Notice**"). The Receiver does not agree that MI is entitled

to the amounts asserted in the MI Lien Notice. The Receiver has referred the MI Lien Notice for determination by the Court at the same time as the MI Payment Motion.

Mappro Lift Stay Motion

- 14.12 As reported in the Receiver’s Seventh Report dated December 20, 2024 (the “**Seventh Report**”), on September 7, 2022, Mappro Realty Inc. (“**Mappro**”) commenced an action (the “**Mappro Action**”) against Mizrahi Developments Inc. (not a debtor in the Receivership Proceedings) and the City of Toronto alleging that a concrete pump used in relation to the Project interfered with its enjoyment of a property that it owns on the southeast corner of Balmuto Street and Bloor Street, known municipally as 19 Bloor Street West. On May 13, 2023, Mappro’s Statement of Claim was amended to substitute the Nominee, in place of Mizrahi Developments Inc.
- 14.13 The Mappro Action has been stayed since the Receiver’s appointment, although the Receiver consented to a limited lifting of the stay in October 2024 so that Mappro could amend its pleadings to add the Beneficial Owner and GP Inc. as defendants in advance of a potential limitation issue.
- 14.14 On October 2, 2024, Mappro served a motion seeking, among other relief, to lift the stay of proceedings to pursue the Mappro Action against the Debtors. The Receiver opposed this request and served a cross-motion seeking, among other things, directions with respect to how the Debtors should continue construction of the Project in light of Mappro’s allegations.

14.15 Pursuant to the Receiver's standing authority under paragraph 4(j) of the Receivership Order to settle proceedings with respect to the Debtors, Mappro and the Receiver, with the consent of the Senior Secured Lenders, have agreed to a settlement in principle of the Mappro Action and are in the process of documenting that settlement.

Seele Settlement

14.16 Seele Canada Inc. ("seele") is a supplier of highly specialized glass components to the Project. The Receiver understands that seele is the sole source supplier that can supply and maintain the components of glass that it provides to the Project.

14.17 As reported in the Second Report and the Third Report of the Receiver dated June 21, 2024, at the time of the Receiver's appointment, seele was engaged in an arbitration and a court application with MI. seele claimed \$300,000 under a settlement agreement executed by MI and a further \$1.3 million for alleged delays by MI that forced seele to work out of sequence.

14.18 In September 2024, pursuant to the Receiver's standing authority under paragraph 4(j) of the Receivership Order to settle proceedings with respect to the Debtors, the Receiver, with the consent of the Senior Secured Lenders, seele and MI, executed a settlement agreement, whereby the Receiver agreed to pay \$400,000 in full satisfaction of seele's claims in the arbitration and court application, with payment to be made after seele completed its remaining scope of work on the Project. seele completed its work on the Project on November 8, 2024, and the settlement funds were transferred to seele by the Receiver shortly thereafter.

Gamma Windows

- 14.19 As reported in the Receiver's Fourth Report dated July 29, 2024, on May 30, 2024, Gamma Windows and Walls International Inc. ("**Gamma**") delivered a Lien Notice in respect of a Lien Claim in the amount of \$1,839,681.92 for the period from April 24, 2019, to May 30, 2024 (the "**First Gamma Lien Claim**"). On October 16, 2024, Gamma delivered a second Lien Notice in respect of a Lien Claim in the amount of \$8,593,709.89 for the period from April 24, 2019, to October 16, 2024 (the "**Second Gamma Lien Claim**") and together with the First Gamma Lien Claim, the "**Gamma Lien Claims**").
- 14.20 The Gamma Lien Claims relate to amounts Gamma alleges are owing to it in respect of certain unpaid invoices, holdback amounts, and certain amounts pursuant to a settlement agreement entered into between Gamma and MI on June 8, 2023 (the "**Gamma Settlement Agreement**"). The Receiver does not agree that Gamma is entitled to the amounts claimed in the Gamma Lien Claims. In addition, the Receiver understands that the amounts claimed in the Second Gamma Lien Claim were released by Gamma pursuant to the Gamma Settlement Agreement.
- 14.21 Gamma has also served a motion seeking to compel the Receiver to pay certain amounts that are the subject of the First Gamma Lien Claim and to have the balance thereof referred to an Associate Judge for resolution.
- 14.22 Pursuant to the Lien Regularization Order, the Receiver has referred the Gamma Lien Claims to a Claims Officer for determination. The Receiver intends to bring a motion to strike the Second Gamma Lien Claim as the first step in the proceedings before the Claims Officer.

14.23 Gamma has agreed not to advance its motion until after the Gamma Lien Claims are resolved.

CERIECO Advances

14.24 During its review of the Debtors' books and records, the Receiver identified certain discrepancies between the quantum that CERIECO Canada Corp. ("CERIECO") alleged it was owed by the Debtors and the advances from CERIECO to the Debtors as recorded in the Project's accounting records. As will be described further below, this discrepancy amounted to approximately \$18 million dollars.

The Receiver's Initial Investigation

14.25 The Receiver investigated the cause of this \$18 million discrepancy by, among other things, reviewing the Debtors' books and records and discussing the issues with senior officers and employees of MI who were also former directors and/or officers of certain of the Debtors, including Mark Kilfoyle and Remy Del Bel (the "**MI Project Staff**").

14.26 The Receiver determined that the \$18 million discrepancy stems from three advances made by CERIECO to the Project that were never recorded in the Project's internal accounting records (the "**Unrecorded CERIECO Advances**"). The Unrecorded CERIECO Advances occurred on or about November 7, 2019, December 20, 2019, and January 17, 2020.

14.27 The MI Project Staff interviewed by the Receiver indicated that the Unrecorded CERIECO Advances were part of a series of transactions referred to internally as the "Recirculation Transactions". The MI Project Staff advised that the transactions were completed at

CERIECO's request and that the relevant funds were to be paid to the Project; immediately re-paid to CERIECO; and eventually loaned to the Project.

- 14.28 In each of the Recirculation Transactions, an initial transfer of cash was made from CERIECO to MI's bank account. Through a series of subsequent transfers, either through the Project's bank account or through MI's bank account, the advances made under the Recirculation Transactions would be "recirculated" back to CERIECO, who then transferred an amount back to the Project at a later date (except for the Unrecorded CERIECO Advances, as described further below). The purpose of these transactions is unclear.

The Unrecorded CERIECO Advances and Payments to 890

- 14.29 As opposed to the funds circulated in the other Recirculation Transactions, the Unrecorded CERIECO Advances were not returned to MI or the Project. The Receiver's review indicates that in the Unrecorded CERIECO Advances, a transfer of cash was made to MI's bank account from CERIECO and subsequently transferred to the Project's bank account. The funds were then transferred from the Project's account to an entity named 10044890 Canada Corp. ("**890**").

- 14.30 The Receiver understands that 890 is a corporation controlled by Kevin Chen, an individual engaged by CERIECO to advise and assist it on certain matters relating to the Project.

- 14.31 According to the MI Project Staff, the advances to 890 occurred at the direction of Bosco Chan and Richard Yu, individuals who both frequently acted as go-betweens between the

Project and CERIECO. MI Project Staff also stated that Mr. Chan and Mr. Yu told them that CERIECO had requested the transfers.

The Receiver's Additional Requests for Information

14.32 As part of its investigation, the Receiver's counsel has requested additional information from counsel to CERIECO, Mr. Chen, Mr. Yu and Mr. Chan. The Receiver and its counsel also met with CERIECO representatives and counsel in-person to discuss the Unrecorded CERIECO Advances.

14.33 Mr. Chen and Mr. Yu do not deny that 890 received the \$18 million in funds from the Unrecorded CERIECO Advances. Rather, in response to inquiries made by the Receiver's counsel, Mr. Chen and Mr. Yu indicated that the Unrecorded CERIECO Advances were "Fee Payments" made pursuant to a Financing Advisory Agreement with 2649425 Ontario Inc. ("**245**") to compensate Mr. Yu for his efforts in assisting the Debtors in obtaining senior debt financing for the Project. According to the letter, Mr. Yu, who is the sole director and officer of 245, later assigned the Financing Advisory Agreement from 245 to 890. A copy of the letter sent by the Receiver's counsel to counsel for Mr. Chen and Mr. Yu (who are represented by the same law firm) is attached hereto as **Appendix "K"**. Mr. Chen and Mr. Yu's response is attached hereto as **Appendix "L"**.

14.34 CERIECO denies that it authorized or otherwise had knowledge of the payments to 890. A copy of the letter sent by the Receiver's counsel to CERIECO's counsel is attached hereto as **Appendix "M"**. A copy of CERIECO's response is attached hereto as **Appendix "N"**.¹¹

¹¹ The Receiver notes that it has requested additional information from CERIECO that has not yet been provided.

14.35 The Receiver's counsel has sent several demands for information to Mr. Chan's counsel. To date, these requests have all been ignored. The Receiver's correspondence to Mr. Chan's counsel is attached as **Appendix "O"**.

14.36 The Receiver notes that there are several discrepancies in the information it has been provided by various parties. The Receiver's investigation with respect to these matters is ongoing and will be continued in its capacity as Monitor, if appointed.

15.0 ACTIVITIES OF THE RECEIVER

15.1 In addition to those activities described elsewhere in this Joint Report, the Receiver's activities since the date of the Second Report have also included, among other things, the following:

- (i) preparing and filing the Third Report of the Receiver dated June 21, 2024, the Supplemental Report to the Third Report of the Receiver dated July 11, 2024, the Fourth Report of the Receiver dated July 29, 2024, the Second Supplemental Report to the Third Report of the Receiver dated August 7, 2024, the Fifth Report of the Receiver dated October 11, 2024, the Sixth Report, the Seventh Report, and the Supplemental Report to the Fifth Report of the Receiver dated February 28, 2025;
- (ii) attending the Court hearing held on June 6, 2024, regarding the motion seeking, among other things, the SISP Approval Order, the Holdback Release Order, and the Reconfiguration and LC Arrangement Order;
- (iii) attending the Court hearing held on August 9, 2024, regarding the motion seeking, among other things, the Lien Claims Resolution Order;

- (iv) coordinating the uploading on the Case Website of all Court-filed materials in respect of the Receivership Proceedings;
- (v) monitoring and responding to stakeholder and other inquiries made to the Receiver's email account and telephone hotline for these Receivership Proceedings;
- (vi) communicating on a regular basis with KDC to discuss, among other things: (a) the day-to-day management and oversight of the construction of the Project; (b) the activities of MI prior to the Effective Date and those of SKYGRiD in its capacity as construction manager thereafter; (c) matters related to safety and security on the Project site; (d) matters related to the trades, consultants and suppliers engaged on the Project; (e) matters related to certain litigation; and (f) strategic advice in relation to construction activities;
- (vii) together with KDC, attending site meetings and participating in discussions and meetings with key trades, consultants and suppliers engaged on the Project;
- (viii) attending at the site office at 4 Charles Street East in Toronto to meet with senior management and employees of SKYGRiD, and consultants, trades and other suppliers to the Project, and with Tridel since the execution of the Term Sheet;
- (ix) communicating with KDC in respect of monthly accounting services for the Project;
- (x) preparing and submitting the Interim Report of the Receiver dated October 30, 2024, in accordance with subsection 246(2) of the BIA;

- (xi) liaising with the Cost Consultant in respect of various construction matters including, but not limited to, the Development Budget, construction cost estimates and pricing, and trade and supplier contract negotiations;
- (xii) working with real estate market advisors engaged by the Receiver to obtain market information and intelligence in respect of comparable Units in the Yonge-Bloor area, including the estimated fair market value of each Unit in the Project, to provide insight regarding current residential market trends and possible value maximizing opportunities for the Project, including the Reconfiguration Plan and the Tridel Reconfiguration Plan;
- (xiii) together with KDC, conducting regular meetings with SKYGRiD, Tridel (following the execution of the Term Sheet), and consultants and trades engaged on the Project to continue to develop and update the Schedule, Cost to Complete, and critical path work streams;
- (xiv) continuing to review the Debtors' insurance coverage, and working with the Project's insurance broker to address insurance related matters and to ensure that appropriate insurance coverage is in place;
- (xv) communicating with the Canada Revenue Agency ("CRA") regarding the Receivership Proceedings, filing required HST returns, and responding to information requests from the CRA in respect of an HST audit relating to the period from January 1, 2023 to October 17, 2023;

- (xvi) together with Strategy Corp Inc. (“**Strategy Corp**”) and/or the Receiver’s legal counsel, attending to various municipal and real property matters relating to the Project, including but not limited to permit applications, Section 37 of the *Planning Act* (Ontario) requirements, matters relating to the severance of the lands and premises of the Commercial Component and the Residential Component and an application for land titles absolute;
- (xvii) meeting with legal counsel to Coco International Inc. to obtain historical information in respect of the Project and certain related litigation matters;
- (xviii) with the assistance of Strategy Corp and KDC, overseeing and coordinating the installation of hoarding artwork that reflects Indigenous culture for the benefit and enjoyment of the community, as required by the City of Toronto in connection with ongoing permitting for the Project;
- (xix) together with Goodmans, communicating with the parties to various litigation involving the Debtors or the Project, including to ensure that such litigation does not interfere with ongoing construction of the Project;
- (xx) attending to the disclaimer of the Exclusive Listing Agreement between the Nominee and Mizrahi Inc. dated July 12, 2017, and the Mediator’s Proposal dated November 26, 2019 (without admission that any of the Debtors are a party to same), as, among other reasons, these arrangements deal with matters that are duplicative of the services that are intended to be provided by Tridel;

- (xxi) communicating with the HCRA about the Receivership Proceedings, the proposed CCAA Proceedings and the Project generally, including in respect of the SISP and the results of same;
- (xxii) continuing to review the Project's books and records in respect of certain identified transactions from the period prior to the Appointment Date that warrant further review;
- (xxiii) communicating with Tarion in respect of the Reconfiguration Plan, the Tridel Reconfiguration Plan and the potential impacts of same on Unit purchasers, and regarding certain other Project related matters, and providing certain documentation as requested;
- (xxiv) continuing to respond to inquiries from Unit purchasers;
- (xxv) communicating with the Senior Secured Lenders and certain of the Project's other secured lenders and their respective advisors from time to time to discuss the status of these Receivership Proceedings and the Project, including providing a detailed confidential update to certain of the secured lenders on March 20, 2025, regarding the relief sought at the Transition Hearing; and
- (xxvi) drafting this Joint Report and assisting with the preparation and review of materials in respect of the motion for the Transition Hearing.

16.0 CONCLUSIONS AND RECOMMENDATIONS

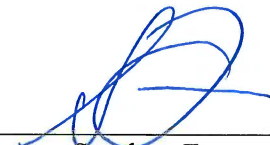
- 16.1 For the reasons set out in this Joint Report, A&M – in its capacity as Receiver and as Proposed Monitor – is of the view that the relief requested in each of the proposed Initial

Order, Transaction Approval Order and Discharge Order is appropriate, and respectfully requests that the Court grant the relief sought at the Transition Hearing.

All of which is respectfully submitted to this Court this 3rd day of April, 2025.


Alvarez & Marsal Canada Inc., solely in its capacity as Receiver and Manager of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc., and in its capacity as Proposed Monitor of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc., and not in its personal or corporate capacity

Per:



Name: Stephen Ferguson
Title: Senior Vice-President

Per:



Name: Josh Nevsky
Title: Senior Vice-President

APPENDIX “C”
SETTLEMENT AGREEMENT WITH CULT IRON WORKS LIMITED

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF ONE BLOOR WEST TORONTO
GROUP (THE ONE) INC. AND ONE BLOOR WEST
TORONTO COMMERCIAL (THE ONE) GP INC.**

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this “**Agreement**”) is made and entered into as of this 28th day of July, 2025, among **CULT IRON WORKS LIMITED** (“**Claimant**”), **ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.** (f/k/a Mizrahi Development Group (The One) Inc.) (the “**Owner**”), **ONE BLOOR WEST TORONTO COMMERCIAL (THE ONE) LP** (f/k/a Mizrahi Commercial (The One) LP), and **ONE BLOOR WEST TORONTO COMMERCIAL (THE ONE) GP INC.** (f/k/a Mizrahi Commercial (The One) GP Inc.) (collectively, the “**Companies**”), and **ALVAREZ & MARSAL CANADA INC.** (“**A&M**”), in its capacity as Court-appointed Monitor of the Companies and not in its personal or corporate capacity (in such capacity, the “**Monitor**” and with the Claimant and the Companies, collectively, the “**Parties**”, and each individually a “**Party**”).

WHEREAS the Companies are in the business of developing a mixed-use development project located at 1 Bloor Street West in Toronto, Ontario (the “**Project**”);

AND WHEREAS the Owner and Mizrahi Inc. (“**MI**”), the former developer of the Project, entered into a CCDC 2 Stipulated Price Contract dated May 14, 2019, with respect to the

construction of the Project and, in connection with such construction, MI and the Claimant entered into a contract pursuant to which the Claimant agreed to provide miscellaneous metals to the Project (the “**Subcontract**”);

AND WHEREAS on October 18, 2023, pursuant to the Order (Appointing Receiver) (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), A&M was appointed as receiver and manager, without security, of all of the assets, undertakings and properties of the Companies, including the Project (in such capacity, the “**Receiver**”);

AND WHEREAS on December 1, 2023, the Claimant registered a construction lien against title to the Project in the total amount of \$519,319.76 (the “**Claimant Lien**” and, together with any and all claims of any nature or kind under or relating to the Subcontract or the Project, including, without limitation, the Prolongation Claim (as defined below), the “**Claimant Claims**”), and on January 10, 2024, the Receiver consented to a limited lifting of the stay of proceedings provided for under the Receivership Order solely for purposes of allowing the Claimant to take steps to perfect the Claimant Lien, including commencing an action before the Ontario Superior Court of Justice bearing Court File No. CV-24-00712684-0000 (the “**Action**”);

AND WHEREAS on January 12, 2024, the Receiver filed a motion to vacate the Claimant Lien and Associate Judge Wiebe of the Ontario Superior Court of Justice granted an Order dated January 12, 2024, among other things: (i) reducing the amount of the Claimant Lien by \$76,650.71 to \$444,669.05 to reflect a subsequent payment made to the Claimant following the registration of the Claimant Lien; and (ii) ordering that upon the posting of security into the Ontario Superior Court of Justice by the Receiver in the total amount of \$494,669.05 (being the

reduced amount of the Claimant Lien, plus the sum of \$50,000.00 as security for costs) (the “**Security**”), the Claimant Lien and the related Certificate of Action shall be vacated from title to the Project;

AND WHEREAS on January 16, 2024, the Receiver posted the Security with the Accountant of the Ontario Superior Court of Justice, and the Claimant Lien and related Certificate of Action were vacated from title to the Project shortly thereafter;

AND WHEREAS pursuant to the Lien Regularization Order granted by the Court on March 7, 2024 (the “**LRO**”), the Claimant was deemed to have preserved and perfected the Claimant Lien and was granted a lien charge against the Property equivalent to, and only to the extent of, any security that would be granted in respect of a Lien Claim (as defined in the LRO) under the *Construction Act* (Ontario) as it existed immediately prior to July 1, 2018 (the “**Construction Act**”);

AND WHEREAS pursuant to the Order (Holdback Release) granted by the Court on June 6, 2024 (the “**Holdback Release Order**”), the Receiver was authorized to, among other things, release certain statutory holdback amounts that were retained from various subcontractors engaged on the Project in accordance with the Construction Act, including \$260,819.99 (inclusive of HST) retained from the Claimant in connection with the Subcontract (the “**Holdback**”), subject to satisfaction or waiver of certain specified conditions;

AND WHEREAS in accordance with the terms of the Holdback Release Order, the Receiver and the Claimant entered into a Holdback Release Agreement dated July 14, 2024 (the “**Holdback Release Agreement**”), pursuant to which the Receiver agreed to release the Holdback on behalf of the Owner in order to settle all outstanding claims that the Claimant may

have in relation to the Claimant Claims, but excluding the Claimant's prolongation claim specified in the Claimant Lien in the amount of \$183,852.06 (inclusive of HST), in respect of which the Receiver and the Claimant mutually reserved all rights, claims, defences and positions (the "**Prolongation Claim**");

AND WHEREAS on April 22, 2025, the Court granted an Initial Order, among other things: (i) transitioning the Companies' receivership proceedings to proceedings under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**", and the proceedings commenced thereunder being the "**CCAA Proceedings**"); (ii) appointing A&M as Monitor; (iii) appointing FAAN Advisors Group Inc. as Chief Restructuring Officer of the Companies (in such capacity, the "**CRO**"); and (iv) continuing certain specified orders granted in the Companies' receivership proceedings, including the LRO and the Holdback Release Order;

AND WHEREAS the Parties are inclined to settle and resolve any and all matters that are or could be at issue among them relating to the Claimant Claims, including the Prolongation Claim, and, following good faith negotiations, have agreed to settle and resolve all such matters on and subject to the terms hereinafter specified;

NOW THEREFORE in consideration of the representations, warranties, covenants and mutual promises set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Settlement of Claimant Claims. In full and final settlement of the Claimant Claims and in consideration for the Claimant agreeing not to seek any further distribution, payment or other consideration from the Companies in the CCAA Proceedings or any subsequent bankruptcy or other insolvency proceeding of any of the Companies with respect to the Claimant Claims, the

Companies shall make a settlement payment to the Claimant in the total amount of [REDACTED] (inclusive of HST) (the “**Settlement Amount**”). The Companies shall pay the Settlement Amount to the Claimant within fourteen (14) days following execution of this Agreement by all Parties by wire transfer or electronic funds transfer of immediately available funds to the Claimant’s counsel’s trust account, the particulars of which are specified on Schedule “A” hereto.

2. Release. The Claimant hereby releases and discharges to the fullest extent permitted by law the Companies, A&M (in its capacity as Receiver, Monitor and in its personal capacity), all mortgagees with charges that have been registered on title to the Project, including, without limitation, Coco International Inc., Aviva Insurance Company of Canada, CERIECO Canada Corp. and KEB Hana Bank Canada, KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 301, KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 434, and KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530 (including, without limitation, in its capacity as lender under the Receivership Funding Credit Agreement dated October 18, 2023, and as lender under the Debtor-in-Possession Credit Agreement dated April 3, 2025), and each of their respective current and former affiliates, shareholders, directors, officers, employees, agents, trustees, beneficiaries, lawyers, personal representatives and authorized representatives (collectively, the “**Released Parties**” and each a “**Released Party**”) from all manner of claims, actions, causes of actions, suits, proceedings, complaints, debts, statutory claims, damages, liabilities, demands, orders, liens, claims of indemnity or contribution, claims of breach of trust, obligations, setoffs, recoupments, costs and expenses (collectively, “**Claims**”) the Claimant has or may have now or in the future, whether known or unknown, foreseen or unforeseen, matured or unmatured,

contingent or not contingent, liquidated or unliquidated, whether in law or equity and whether based in contract, tort, statute or otherwise relating to, arising out of or otherwise related or connected in any way to the Claimant Claims or the Project (collectively, the “**Release**”), it being understood and agreed that the Release shall not release the obligation of the Companies to pay the Settlement Amount.

3. No Further Claims. Without limiting the release or any of the other terms provided for under the Holdback Release Agreement, the Claimant shall be forever barred from filing or otherwise asserting any further Claim against a Released Party or the Project in relation to the Claimant Claims. The Claimant undertakes, covenants and agrees not to make any Claim, participate in any proceeding or take any action against any other person or entity who would as a result of such Claim, proceeding or action have a claim for contribution or indemnity against any of the Released Parties or the Project in relation to the Claimant Claims.

4. Security. Upon payment of the Settlement Amount, the Claimant consents to the Security, or any portion thereof, being released to the Companies and/or the Monitor. The Claimant agrees to execute and deliver such further documents and do such further acts and things as may be required to facilitate the release of the Security to the Companies and/or the Monitor upon request from the Monitor.

5. Discontinuance of Action. Upon payment of the Settlement Amount, the Claimant shall forthwith make such filings with the Ontario Superior Court of Justice as are necessary to discontinue the Action in its entirety on a without costs and with prejudice basis.

6. Binding Effect. This Agreement shall be binding upon any successors or assigns of the Parties.

7. No Transfer. The Claimant represents and warrants that it has not sold, assigned or otherwise transferred any of the Claimant Claims or other Claims or rights being released pursuant to this Agreement to a third party.

8. Entire Agreement. This Agreement constitutes the entire agreement among the Parties and supersedes all prior or contemporaneous written or oral communications, understandings, and agreements with respect to the subject matter hereof, it being understood and agreed that the Holdback Release Agreement constitutes a separate agreement and shall remain in full force and effect. This Agreement cannot be amended except by a writing signed by each of the Parties.

9. No Admissions. Each Party acknowledges and agrees that nothing in this Agreement constitutes an admission or concession of any legal issue raised in or relating to the matters resolved hereunder.

10. Monitor Protections. Nothing herein shall be construed so as to prejudice, modify, impact, impair, limit or waive any of the Monitor's rights or protections under the CCAA, orders of the Court or otherwise at law, all of which rights and protections are fully reserved. For greater certainty, the Monitor shall have no personal liability under or in connection with this Agreement, and it expressly disclaims any such liability.

11. CRO Protections. The CRO is executing this Agreement on behalf of the Companies solely in its capacity as CRO and not in its personal or corporate capacity. For greater certainty, the CRO shall have no personal liability under or in connection with this Agreement or the Claimant Claims, and it expressly disclaims any such liability.

12. Costs and Expenses. The Claimant and the Companies agree to bear their own costs, expenses and lawyers' fees incurred in relation to the disputes resolved hereby, the negotiations related to the settlements herein and the preparation of this Agreement and to not seek from each other reimbursement of any such costs, expenses or lawyers' fees.

13. Currency. All references to amounts of money in this Agreement refer to the lawful currency of Canada.

14. Jurisdiction and Governing Law. The Parties hereby irrevocably attorn to the exclusive jurisdiction of the Court with respect to any and all disputes arising out of or in connection with this Agreement. This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

15. Manner of Execution. This Agreement may be executed in counterparts, each of which shall be an original, and such counterparts shall be construed together as one instrument. The signature of any of the Parties hereto may be evidenced by a scanned email or internet transmission copy of this Agreement bearing such signature.


[Signature page immediately follows]

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


CULT IRON WORKS LIMITED

Per: 
Name: Paul Ditta
Title: President

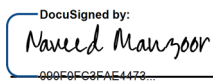
**ONE BLOOR WEST TORONTO GROUP
(THE ONE) INC.**

Per: 
Signed by **FAAN ADVISORS GROUP INC.**, solely in its capacity as Chief Restructuring Officer of the Companies and in no other capacity

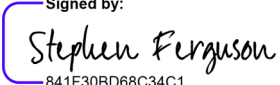
**ONE BLOOR WEST TORONTO
COMMERCIAL (THE ONE) LP**, by its general partner, **ONE BLOOR WEST TORONTO
COMMERCIAL (THE ONE) GP INC.**

Per: 
Signed by **FAAN ADVISORS GROUP INC.**, solely in its capacity as Chief Restructuring Officer of the Companies and in no other capacity

**ONE BLOOR WEST TORONTO
COMMERCIAL (THE ONE) GP INC.**

Per: 
Signed by **FAAN ADVISORS GROUP INC.**, solely in its capacity as Chief Restructuring Officer of the Companies and in no other capacity

ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed Monitor of the Companies and not in its personal or corporate capacity

Signed by:

Per: 841E30BD68C34C1
Name: Stephen Ferguson
Title: Senior Vice President

SCHEDULE “A”

Banking Information for Bisceglia & Associates Professional Corporation:

9100 Jane St, Ste 200, BLDG A

Concord, Ontario L4K 0A4

Bank: CIBC

Address: 3940 Keele Street,
North York, Ont M3J 1P2

Phone: 416-661-6014 Ext 346 Simona Nicolescu

Transit : 09522

Bank Code: 010

Swift Code: CIBCCATT

Account Name: Bisceglia & Associates Professional Corporation Trust Account

Account No: 34-07519 cad funds

APPENDIX “D”
UPDATED CASH FLOW FORECAST

One Bloor West Toronto Group (The One) Inc. et al.
Monthly Cash Flow Forecast
For the Period July 1, 2025 to February 28, 2026
\$000's CAD

| Cash Flow Month: Month Ending: | Notes | Month 1 31-Jul-25 | Month 2 31-Aug-25 | Month 3 30-Sep-25 | Month 4 31-Oct-25 | Month 5 30-Nov-25 | Month 6 31-Dec-25 | Month 7 31-Jan-26 | Month 8 28-Feb-26 | 8 Month Total |
|-----------------------------------|----------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|
| Receipts | 1 | 49 | 4,060 | 1,369 | 1,313 | 1,519 | 1,747 | 2,143 | 1,434 | 13,633 |
| Disbursements | | | | | | | | | | |
| Construction Costs | 2 | (6,168) | (9,332) | (11,462) | (13,716) | (10,648) | (10,648) | (10,002) | (10,002) | (81,977) |
| Design Related Costs | 3 | (325) | (670) | (872) | (789) | (789) | (789) | (789) | (789) | (5,812) |
| Project & Sales Management | 4 | (417) | (477) | (477) | (477) | (477) | (477) | (477) | (477) | (3,754) |
| General, Administrative & Other | 5 | (281) | (195) | (12) | (365) | (95) | (12) | (1,940) | (257) | (3,157) |
| Land & Development Costs | 6 | (1,174) | (1,170) | (543) | (18) | (1,941) | (6,575) | (1,593) | (5,975) | (18,987) |
| Professional Fees | 7 | (803) | (1,049) | (1,178) | (1,138) | (1,238) | (1,349) | (1,236) | (1,067) | (9,058) |
| Total Disbursements | | (9,167) | (12,893) | (14,544) | (16,503) | (15,188) | (19,849) | (16,036) | (18,566) | (122,746) |
| Net Cash Flow | | (9,118) | (8,833) | (13,175) | (15,190) | (13,669) | (18,102) | (13,894) | (17,132) | (109,113) |
| <u>Cash Balance</u> | | | | | | | | | | |
| Opening Cash | | 59,524 | 63,406 | 54,572 | 46,397 | 50,207 | 52,538 | 50,436 | 52,542 | 59,524 |
| Net Cash Flow | | (9,118) | (8,833) | (13,175) | (15,190) | (13,669) | (18,102) | (13,894) | (17,132) | (109,113) |
| Advances | | 13,000 | - | 5,000 | 19,000 | 16,000 | 16,000 | 16,000 | 16,000 | 101,000 |
| Ending Cash | | 63,406 | 54,572 | 46,397 | 50,207 | 52,538 | 50,436 | 52,542 | 51,410 | 51,410 |
| <u>DIP Facility</u> | | | | | | | | | | |
| Opening Balance | | 33,081 | 46,207 | 46,384 | 51,556 | 70,754 | 87,016 | 103,349 | 119,745 | 33,081 |
| Advances | | 13,000 | - | 5,000 | 19,000 | 16,000 | 16,000 | 16,000 | 16,000 | 101,000 |
| Accrued Interest | | 127 | 177 | 172 | 197 | 262 | 333 | 396 | 414 | 2,078 |
| Ending DIP Facility | | 46,207 | 46,384 | 51,556 | 70,754 | 87,016 | 103,349 | 119,745 | 136,159 | 136,159 |

One Bloor West Toronto Group (The One) Inc. et al.
Monthly Cash Flow Forecast
For the Period July 1, 2025 to February 28, 2026
Notes and Summary of Assumptions

Disclaimer

In preparing this cash flow forecast (the “Forecast”), the Companies have relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. The Forecast reflects important assumptions, including those discussed below. Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized. The Forecast is presented in thousands of Canadian dollars.

Notes

(1) Receipts

Receipts primarily include input tax credit (“ITC”) refunds. No receipts from the sale of condominium units or related deposits have been included during the forecast period. A large catch-up refund is forecast in August 2025 for ITC refunds outstanding through June 2025.

(2) Construction Costs

Construction costs, which include hard costs, construction management fees, and other related costs, are based on estimates from Tridel and the Companies' consultants, and may be subject to change. Consistent with normal practice on the Project, costs are forecast to be paid approximately one month following the month in which they were incurred.

(3) Design Related Costs

Design related costs, which include the fees of architects, consultants, and engineers, are based on estimates and historical trend, with input from Tridel and the Companies' consultants, and may be subject to change. Consistent with normal practice on the Project, costs are forecast to be paid approximately one month following the month in which they were incurred.

(4) Project & Sales Management

Project and sales management costs include project management fees, and residential and sales fees.

(5) General, Administrative & Other

General, administrative and other costs include project level legal fees, marketing and advertising costs, and other related leasing costs.

(6) Land & Development Costs

Land and development costs include realty tax, building permits, builders' insurance premiums, Tarion-related fees and other costs.

(7) Professional Fees

Includes the fees of the Monitor, Goodmans, the CRO, the DIP Lender's counsel, and other Project advisors.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

Court File No. CV-25-00740512-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF ONE BLOOR WEST TORONTO GROUP (THE ONE) INC. AND ONE BLOOR
WEST TORONTO COMMERCIAL (THE ONE) GP INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

**FIRST REPORT OF THE MONITOR
JULY 30, 2025**

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Lawyers for Alvarez & Marsal Canada Inc., in its
capacity as Monitor