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

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.

MOTION RECORD

CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration
(Returnable November 17, 2025)

November 3, 2025

Goodmans LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Brendan O'Neill LSO# 43331J
boneill@goodmans.ca

Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca

Jennifer Linde LSO# 86996A
jlinde@goodmans.ca

Tel: 416.979.2211
Fax: 416.979.1234

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

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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.

NOTICE OF MOTION
CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration
(Returnable November 17, 2025)

One Bloor West Toronto Group (The One) Inc. (the "**Nominee**") and One Bloor West Toronto Commercial (The One) GP Inc. (together with One Bloor West Toronto Commercial (The One) LP, the "**Companies**"), by Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as Court-appointed Monitor of the Companies (in such capacity, the "**Monitor**"), will bring a motion under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on November 17, 2025, at 10:00 a.m. (Toronto time), or as soon thereafter as the motion can be heard.

PROPOSED METHOD OF HEARING:

- ☐ In writing under subrule 37.12.1(1);
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☒ In person;
- ☐ By telephone conference;
- ☐ By videoconference;

at 330 University Avenue, Toronto, Ontario M5G 1R7.

THIS MOTION IS FOR:

1. An Order (CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration) (the "**CSA Plan Approval Order**"), substantially in the form attached at Tab 3 of the within Motion Record, among other things:

(a) approving the plan with respect to the treatment of existing condominium sale agreements that were entered into by the Companies prior to the commencement of the Receivership Proceedings (the "**Existing CSAs**"), attached as Schedule "A" to the proposed CSA Plan Approval Order (including all schedules appended thereto, the "**CSA Plan**"), and authorizing and directing the Companies, through the CRO (as defined below), and the Monitor to implement the CSA Plan;

(b) approving the deposit return protocol attached as Schedule "B" to the proposed CSA Plan Approval Order (including all schedules thereto, the "**Deposit Return Protocol**") to facilitate the refund of deposits (plus applicable interest thereon) paid by purchasers in respect of the Disclaimed CSAs (as defined below), and authorizing and directing the Companies, through the CRO, and the Monitor to implement the Deposit Return Protocol in conjunction with Aviva, Tarion and the Escrow Agent;

(c) approving the CSA Plan Reconfiguration (as defined below) and authorizing the Companies, through the CRO, Tridel and the Monitor to take such steps or other actions and execute, issue and endorse such agreements or other documents of whatever nature as may be necessary or desirable to effect the CSA Plan Reconfiguration;

(d) approving the First Report of the Monitor dated July 30, 2025 (the "**First Report**") and the Second Report of the Monitor dated November 3, 2025 (the "**Second Report**"), and the actions, conduct and activities of the Monitor as described therein; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval; and

(e) ordering that the Confidential Appendices to the Second Report be sealed and kept confidential pending further Order of this Court.[1]

2. Such further and other relief as counsel may advise, and this Court may deem just.

THE GROUNDS FOR THIS MOTION ARE:

Background

3. The Companies are entities established for the purpose of developing an 85-storey condominium, hotel and retail tower at 1 Bloor Street West in Toronto, Ontario (the "**Project**").

4. On October 18, 2023, pursuant to the Order (Appointing Receiver) of the Court, A&M was appointed as receiver and manager (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of the Companies, acquired for, or used in relation to, a business carried on by the Companies, including, without limitation, in connection with the Project and the Project itself (collectively, the "**Property**"). The principal purpose of the Receivership Proceedings was to bring stability and appropriate oversight to the Project, while preserving and

[1] All capitalized terms used herein and not otherwise defined have the meanings given to them in the Initial Order of this Court dated April 22, 2025 (the "**Initial Order**"), or the Second Report.

protecting the Property for the benefit of stakeholders, including by ensuring the ongoing construction of the Project.

5. 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 CCAA (the "**CCAA Proceedings**").

6. 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 Court granted three orders:

(a) the Initial Order that, among other things: (i) granted the Companies protection under the CCAA; (ii) appointed A&M as Monitor; (iii) authorized the Companies to enter into and borrow up to $615 million under the DIP Credit Agreement; (iv) appointed FAAN Advisors Group Inc. as Chief Restructuring Officer of the Companies (in such capacity, the "**CRO**"); and (v) granted a stay of proceedings up to and including August 15, 2025 (the "**Stay Period**");

(b) an order that, among other things, approved the Transaction; and

(c) an order that, 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.

7. At a hearing on August 8, 2025, the Court granted the Order (Stay Extension and Ancillary Relief) that, among other things, extended the Stay Period to and including February 12, 2026.

Approval of CSA Plan

8. Since its appointment, the Receiver (and now the Monitor) has conducted a comprehensive process intended to maximize the value of the Project. As further detailed in the Second Report, that process has included extensive consultation with stakeholders and leading professionals and, most importantly, a thorough canvassing of the market through the Court-approved SISP.

9. The SISP culminated in the engagement of Tridel, one of Canada's leading developers, to complete the construction, development and realization of value from the Project.

10. Under the terms of the DIP Credit Agreement, the Companies must cause Tridel to, diligently and as soon as reasonably possible, develop a plan for the treatment of the 329 Existing CSAs. Tridel has therefore conducted its own extensive analysis of the Project, in consultation with the CRO and the Monitor, and has proposed a comprehensive CSA Plan to address Existing CSAs in a manner that will maximize the value Project. Specifically, the CSA Plan contemplates the following:

(a) the disclaimer by the Companies of substantially all (314) of the Existing CSAs (collectively, the "**Disclaimed CSAs**") to enable the resale of condominium units

(each, a "**Unit**") at increased market prices that are based on the proposed CSA Plan Reconfiguration and an anticipated partnership with a luxury hotel brand[2]; and

(b) the potential retention by the Companies of 15 Existing CSAs (collectively, the "**Potentially Retained CSAs**") that were identified as being economically viable for the Project, subject to certain conditions being met, including, without limitation, the relevant purchaser entering into a new form of condominium sale agreement, and Aviva agreeing to make a payment to the Project in respect of the relevant purchaser's Potentially Retained CSA in an amount and on other terms and conditions acceptable to the Nominee, in consultation with the Monitor and the DIP Lender.

11. The CSA Plan also provides that each purchaser under a Disclaimed CSA, as well as any purchaser whose Existing CSA was disclaimed prior to the date of the CSA Plan, will be offered an opportunity to enter into a new condominium sale agreement for the purchase of any available Unit at the prevailing list price, which will be available to such purchasers for a forty-five (45) day period prior to the date all Units are listed to the general public for sale (the "**Early Purchase Opportunity**"). The Early Purchase Opportunity ensures that all former purchasers who still wish to purchase a Unit in the Project will be given an opportunity to do so.

12. Based on advice from Tridel, several other leading industry professionals, and feedback received from a number of developers that participated in the SISP, the Monitor and the CRO are

[2] The ongoing Hotel Process is well advanced with a small group of five-star luxury hotel brands. It is anticipated that Tridel will be making a brand recommendation to the Monitor, the CRO and the Senior Secured Lenders in the coming weeks, which will be followed by the execution of a term sheet and negotiation of definitive documents.

of the view that the Units can achieve higher resale values if the Existing CSAs are disclaimed and the Units are marketed under a luxury hotel brand. The disclaimer of the Disclaimed CSAs is therefore an essential component of the CSA Plan which, together with the CSA Plan Reconfiguration and other value-maximizing strategies that the Companies plan to pursue, is projected to generate incremental proceeds in excess of $200 million, substantially increasing the net realizable value generated by the Project after considering certain incremental costs associated with the CSA Plan Reconfiguration and the implementation of a luxury hotel branded Unit strategy.

13. To avoid any delays in construction (as discussed below) and to facilitate an orderly hearing of any objections that may be made by purchasers to the disclaimers of the Disclaimed CSAs, the Companies issued disclaimer notices to all purchasers under Disclaimed CSAs on October 24, 2025, which are contemplated to be effective on November 23, 2025 (being the end of the 30-day notice period required under the CCAA).

14. The Monitor, the CRO and the Senior Secured Lenders, as the Companies' sole source of funding to complete the Project and the only stakeholder with an economic interest in the Project, support the CSA Plan.

15. The CSA Plan will maximize the value of the Project for the benefit of the Senior Secured Lenders in accordance with their priority.

Approval of CSA Plan Reconfiguration

16. Since the commencement of the Receivership Proceedings, two reconfigurations of the Residential Component have been proposed and approved by the Court. These reconfigurations

have been driven by changing residential condominium market conditions and evolving plans to maximize the value of the Project.

17. Following Tridel's initial engagement in December 2024, it commenced a comprehensive review of the Project, including an in-depth analysis of the residential floorplans, suite layouts and sizes, and other key elements of the Residential Component, to identify opportunities to optimize the use of the existing structure. Based on feedback received from brands in the Hotel Process, detailed reviews of current and expected condominium market conditions in Toronto, cost benefit analyses and feasibility studies, Tridel has proposed a further reconfiguration that will reduce the total number of Units in the Project to 411, representing a reduction of 65 Units as compared to the most recent reconfiguration (the "**CSA Plan Reconfiguration**").

18. The CSA Plan Reconfiguration, if implemented, would reduce the number of small investor-type Units and increase the number of luxury/ultra-luxury Units in the Project, thereby aligning the Project with expected market conditions and a five-star luxury hotel standard. The implementation of the CSA Plan Reconfiguration would also optimize the number of large Units in the Project while balancing the velocity of sales of such Units.

19. One consequence of the CSA Plan Reconfiguration is that 93 Units sold pursuant to an Existing CSA will not be built, and the Companies will be unable to complete the transactions contemplated by the Existing CSAs for these 93 Units. The CSA Plan has been designed to accommodate this result by providing for the disclaimer of all Existing CSAs for these 93 Units. The CSA Plan is therefore necessary to ensure the successful implementation of the CSA Plan Reconfiguration and provide certainty to affected purchasers.

20. Based on the Project's current construction schedule, the first construction activities required by the CSA Plan Reconfiguration will begin at the end of November 2025. The CSA Plan Reconfiguration (and the CSA Plan itself) is therefore time-sensitive, as the Companies require certainty with respect to the implementation of the CSA Plan and the CSA Plan Reconfiguration in the near term to avoid any delay in construction and the substantial costs such delay could cause.

21. Approval of the CSA Plan Reconfiguration is appropriate in the circumstances as it, together with the CSA Plan, represents the best opportunity for the Companies to maximize the value of the Residential Component while preserving – if not enhancing – the Project's overall luxury and quality.

Approval of Deposit Return Protocol

22. The disclaimers of the Disclaimed CSAs are to become effective on November 23, 2025. Purchasers under Disclaimed CSAs have paid deposits in connection with their respective Disclaimed CSAs, which deposits (plus applicable interest) are understood to be fully protected by the Tarion Bond and the Excess Deposit Insurance issued by Aviva. Accordingly, in anticipation of the disclaimer of the Disclaimed CSAs, the Companies, through the CRO, and the Monitor have developed the Deposit Return Protocol in consultation with Aviva and Tarion.

23. The proposed Deposit Return Protocol is intended to facilitate the return of deposits (plus applicable interest) paid by purchasers under Disclaimed CSAs and includes terms that are substantially similar to other deposit return protocols that the Court has approved in similar circumstances. If approved by the Court, the Deposit Return Protocol will be carried out as soon as reasonably practicable so that the relevant purchasers may obtain refunds of their deposits (plus

applicable interest) in a timely manner. The Deposit Return Protocol contemplates that Aviva will be responsible for funding the return of deposits (plus applicable interest) and administering the process, with the assistance of its authorized agent, MNP Ltd.

24. Approval of the Deposit Return Protocol is appropriate in the circumstances as it provides a fair, transparent and efficient mechanism for refunding deposits to purchasers under Disclaimed CSAs, while also minimizing the administrative burden on all parties involved.

Approval of Monitor's Reports and Activities

25. The Monitor's activities undertaken in these CCAA Proceedings, including as described in the First Report and the Second Report, have been carried out in good faith and in accordance with the provisions of the orders of the Court granted in these CCAA Proceedings, and should be approved. Approval of the Monitor's reports and the actions, conduct and activities of the Monitor as described in the First Report and the Second Report will assist in advancing these CCAA Proceedings and is appropriate in the circumstances.

Sealing of Confidential Appendices

26. The Confidential Appendices appended to the Second Report are comprised primarily of market reports, analysis or other similar materials that provide the basis for the economic analysis underlying the proposed CSA Plan and CSA Plan Reconfiguration. A sealing order is being sought in respect of these materials on the basis that they contain commercially sensitive information that, if disclosed, could impair efforts to maximize the value of the Project.

General

27. The provisions of the CCAA, including sections 11 and 32, and this Court's equitable and statutory jurisdiction thereunder.

28. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, R.S.O. 1990, Reg. 194, as amended.

29. Such further and other grounds as counsel may advise and this Court may permit.

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

(a) the Second Report and the appendices thereto; and

(b) such further and other materials and evidence as counsel may advise and this Court may permit.

Date: November 3, 2025

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Brendan O'Neill LSO# 43331J
boneill@goodmans.ca
Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca
Jennifer Linde LSO# 86996A
jlinde@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Monitor

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Applicants

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

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

NOTICE OF MOTION
CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration
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Barristers & Solicitors
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Toronto, ON M5H 2S7

Brendan O'Neill LSO# 43331J
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Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca
Jennifer Linde LSO# 86996A
jlinde@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

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SECOND REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

NOVEMBER 3, 2025

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APPENDICES

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**" or the "**Vendor**", 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 it to maximize recoveries 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 other things: (i) engaging SKYGRiD

[1] All capitalized terms used herein and not otherwise defined have the meaning given to them in the Initial Order or the Joint Report (each as defined herein). Unless otherwise stated, for convenience, "Companies" shall refer to all or any of the Beneficial Owner, the Nominee and GP Inc., as the context requires.

Construction Inc. to take over from Mizrahi Inc. as construction manager of the Project; and (ii) seeking 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 "**Tridel Transaction**"), subject to Court approval of the Tridel 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 Court granted three orders:

(i) an order (the "**Initial Order**"), a copy of which is attached 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;

(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, with such orders to continue in full force and effect in the CCAA Proceedings, *mutatis mutandis*; and

(g) granted a stay of proceedings up to and including August 15, 2025 (the "**Stay Period**");

(ii) an order which, among other things, approved the Tridel Transaction contemplated by the Omnibus Agreement among the Owner and Tridel made as of April 3, 2025, and each of the Project Management and Services Agreement, the Construction Management Agreement and the Residential Sales Agreement appended as schedules thereto; and

(iii) an 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 The Tridel Transaction was successfully implemented on May 1, 2025, at which time Tridel became the project manager, construction manager and sales manager of the Project.

1.6 During the Receivership Proceedings, the Receiver filed eight reports and four supplemental reports with the Court, including the Joint Eighth Report of the Receiver and Pre-Filing Report of A&M as Proposed Monitor dated April 3, 2025 (the "**Joint Report**"). A copy of the Joint Report (without appendices) is attached as **Appendix "B"**.

1.7 Following the transition to the CCAA Proceedings, on August 8, 2025, the Monitor, on behalf of the Companies, obtained the Order (Stay Extension and Ancillary Relief) (the "**Stay Extension Order**"), which, among other things, extended the Stay Period to and including February 12, 2026.

1.8 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 reports filed by the Receiver and the Monitor in such proceedings (collectively, the "**Prior Reports**") and in the application record dated October 17, 2023 (including the Affidavit of Joo Sung Yoon sworn October 17, 2023 (the "**Yoon Affidavit**"), 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, as applicable, the "**Senior Secured Lenders**").[2]

1.9 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 OVERVIEW AND PURPOSE OF THIS REPORT

Purpose of Report

2.1 The purpose of this Second Report of the Monitor (the "**Second Report**") is to:

(i) provide certain background information regarding the Project;

(ii) provide an overview of the relief sought pursuant to the proposed Order (CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration) (the "**CSA Plan Approval Order**") which, among other things:

(a) approves the plan with respect to existing condominium sales agreements that were entered into by the Companies before the commencement of the Receivership Proceedings (each, a "**CSA**" and collectively, the "**Existing CSAs**"), attached as Schedule "A" to the proposed CSA Plan Approval Order (including all schedules appended thereto, the "**CSA Plan**");

[2] Unless otherwise stated, for convenience, "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 lender under the RFCA or as lender under the DIP Credit Agreement, as applicable), as the context requires.

(b) approves the deposit return protocol attached as Schedule "B" to the proposed CSA Plan Approval Order to govern the procedure for the return of deposits (plus applicable interest) to purchasers under Existing CSAs (each, a "**Unit Purchaser**") that have or will be disclaimed (including all schedules thereto, the "**Deposit Return Protocol**");

(c) approves the CSA Plan Reconfiguration (as defined and described below);

(d) approves the First Report of the Monitor dated July 30, 2025 (the "**First Report**"), and this Second Report, and the actions, conduct and activities of the Monitor as described therein; and

(e) orders that the confidential appendices to this Second Report (collectively, the "**Confidential Appendices**") be sealed and kept confidential pending further Order of the Court;

(iii) provide information on the Companies' cash flow results for the three-month period ended September 30, 2025;

(iv) provide an update on certain ongoing matters in the CCAA Proceedings, including the status of construction of the Project;

(v) describe the Monitor's activities since the date of the First Report; and

(vi) provide an overview of the Monitor's conclusions and recommendations in connection with the foregoing.

Overview of CSA Plan and CSA Plan Reconfiguration

2.2 Since its appointment, the Receiver (now the Monitor) has conducted a comprehensive process intended to maximize the value of the Project. That process included extensive consultation with stakeholders and leading professionals and, most importantly, a thorough canvassing of the market through the Court-approved SISP.

2.3 The SISP resulted in the engagement of Tridel, one of Canada's leading developers, as the Project's project manager, construction manager and sales manager. Tridel conducted its own extensive analysis of the Project, and proposed a comprehensive CSA Plan to address Existing CSAs and facilitate a further reconfiguration of the Project to maximize value.

2.4 The proposed CSA Plan represents the culmination of the foregoing efforts, and has included extensive analysis, planning and consultation amongst various parties.

2.5 The Monitor, the CRO and the Senior Secured Lenders all support the CSA Plan and are of the view that it will maximize the value of the Project. The core elements of the CSA Plan include:

(i) the disclaimer of substantially all Existing CSAs (314 of 329) to enable the resale of condominium units (each, a "**Unit**") at increased forecast market prices that are based on the proposed CSA Plan Reconfiguration and an anticipated partnership with a luxury hotel brand. The majority of the Existing CSAs were executed in 2017 and 2018 under the "Mizrahi Developments" brand. Based on advice from Tridel, several other leading industry professionals, and feedback received from a number of developers that participated in the SISP (all as further discussed below),

the Monitor and the CRO are of the view that the Units can achieve higher resale values if the Existing CSAs are disclaimed, the CSA Plan Reconfiguration is implemented, and the Units are marketed under a luxury hotel brand;

(ii) approving the Deposit Return Protocol to facilitate the expeditious and orderly repayment of deposits (plus applicable interest) paid by Unit Purchasers in respect of the Disclaimed CSAs (as defined below), which deposits were used to fund the construction of the Project prior to the Receivership Date. The Deposit Return Protocol contemplates that Aviva Insurance Company of Canada ("**Aviva**"), the Project's deposit insurer, will refund the deposits (plus applicable interest) owed to Unit Purchasers pursuant to the terms of the Tarion Bond and the Excess Deposit Insurance (each as defined below);

(iii) approving the CSA Plan Reconfiguration to facilitate the construction of a total of 411 Units to optimize the Project's design in light of current and expected market conditions and feedback obtained from prospective luxury hotel partners; and

(iv) the potential retention of 15 Existing CSAs that were identified as economically viable for the Project if certain conditions are met (as discussed below).

2.6 The Monitor and the CRO, with the support of the Senior Secured Lenders, believe that the CSA Plan and the CSA Plan Reconfiguration represent the best opportunity to maximize the value of the Project. Based on the information available to the Monitor, the implementation of the CSA Plan and the CSA Plan Reconfiguration and other value-maximizing strategies that the Companies plan to pursue are projected to generate incremental proceeds for the Project in excess of $200 million, substantially increasing the

net realizable value generated by the Project after considering certain incremental costs associated with the CSA Plan Reconfiguration and the implementation of a luxury hotel branded Unit strategy.

2.7 The CSA Plan and the CSA Plan Reconfiguration, which are interconnected, are time-sensitive. Based on the current construction schedule, the first construction activities required by the CSA Plan Reconfiguration will begin at the end of November 2025. The Companies are therefore seeking approval of the CSA Plan Approval Order at this time.

2.8 As described in further detail below, to avoid any delays in construction and to facilitate an orderly hearing of any objections that may be made by Unit Purchasers to the disclaimers of the Disclaimed CSAs, the Companies issued disclaimer notices to all Unit Purchasers under Disclaimed CSAs on October 24, 2025, which are contemplated to be effective on November 23, 2025.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Second 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 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 Second 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 Second 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 Second 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 Second Report are expressed in Canadian dollars.

4.0 THE PROJECT'S FINANCING AND AVIVA'S GUARANTEE OF PURCHASER DEPOSITS

The Project and its Lenders

4.1 The Companies were established for the sole purpose of developing the Project, the construction of which commenced in mid-2017, at which time the Project was expected to be completed by December 31, 2022.

4.2 The Project, when fully constructed, was originally designed to be comprised of the following:

(i) a commercial component (the "**Commercial Component**") consisting of four underground parking levels and 16 aboveground levels, including the retail space on the ground floor (the "**Retail Component**"), 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**"); and

(ii) a residential component (the "**Residential Component**") occupying levels 17 through 85, comprised of 415 Units.[3]

4.3 The Companies sought to finance the development of the Project principally through secured loans, as further detailed in the Yoon Affidavit and the First Report of the Receiver dated February 26, 2024. As at the Receivership Date, the total secured indebtedness of the Companies in respect of the Project was approximately $1.9 billion, inclusive of interest, as set out in the table below:

[3] Levels 17 and 18 are the first tranche of mechanical floors, with residential suites beginning on Level 19.

Secured Indebtedness	***(in $millions)***
Senior Secured Lenders	1,252
Aviva Insurance Company of Canada	102[4]
Hana Private Real Estate Investment Trust No. 137	58
Coco International Inc.	183
CERIECO Canada Corp.	254
Total	**$1,849**

4.4 The debts owed by the Companies have continued to increase since the Receivership Date as the Companies have incurred further obligations to finance ongoing construction, and fees and interest continue to accrue.

4.5 Since the Receivership Date, the Senior Secured Lenders have advanced an incremental $312.8 million under the Receivership Funding Credit Agreement and the DIP Credit Agreement (exclusive of interest).

The Senior Secured Lenders

4.6 The Senior Secured Lenders provided the majority of the funding for the Project before the Receiver was appointed, and they have provided all of the funding for the Project throughout the Receivership Proceedings and these CCAA Proceedings.

4.7 As at September 30, 2025, total amounts owing to the Senior Secured Lenders in connection with the Project, inclusive of interest, exceed $2.0 billion, comprised of the following:

[4] This amount is a potential debt relating to indemnity obligations of certain of the Companies in respect of the Tarion Bond and the Excess Deposit Insurance. The amount is presented based on the total deposits paid by Unit Purchasers to date (exclusive of accrued interest), less amounts remaining in the Deposit Trust Account (as defined herein).

Senior Secured Lenders	***(in $millions)***
Pre-Receivership Credit Facility	1,794.5
Receivership Funding Credit Agreement (RFCA)	285.4
DIP Credit Agreement	46.6
Total	**$2,126.5**

4.8 As further detailed in the Joint Report, in connection with the transition to the CCAA Proceedings and the approval of the Tridel Transaction in April 2025, the Senior Secured Lenders agreed to provide up to $615 million to the Companies to fund the ongoing development of the Project and the CCAA Proceedings by way of the Debtor-in-Possession Credit Agreement made as of April 3, 2025 (the "**DIP Credit Agreement**"), subject to the terms of the Initial Order. As of September 30, 2025, the Senior Secured Lenders have advanced approximately $46.6 million (inclusive of interest) pursuant to the DIP Credit Agreement.

4.9 As a result of the Aviva Priority Agreements, the Coco Priority Agreements, the CERIECO Priority Agreements and the Hana Priority Agreements (all as defined in the Yoon Affidavit), the Monitor understands that the Senior Secured Lenders have a first-ranking security interest over the Property, including the Project (other than the deposits held in the Deposit Trust Account), subject only to the priority charges granted or continued in the CCAA Proceedings.[5]

[5] As reported in the Receiver's Second Report (as defined herein), the Receiver's legal counsel conducted a review of the loan and security documentation relating to the Credit Agreement and provided an Ontario law security review opinion to the Receiver, which concludes that, subject to customary assumptions and qualifications: (i) the security documentation relating to the Credit Agreement creates validly perfected security interests in favour of the Administrative Agent for and on behalf of the Secured Parties (each as defined in the Receiver's Second Report) in

4.10 Consistent with what was reported in the Joint Report, the expectation remains that, even after accounting for the improved recoveries expected to be generated by the CSA Plan, the Senior Secured Lenders will not recover their outstanding indebtedness in full. As such, there is not expected to be any recovery for any subordinate secured lender to the Project, unsecured creditors or equity owners. The Senior Secured Lenders therefore remain the fulcrum creditor in these CCAA Proceedings.

Condominium Sale Agreements

4.11 The Residential Component was originally designed to be comprised of 415 Units[6] (the "**Base Configuration**"), which were organized into three distinct sections, as follows:

(i) levels 19 through 48, comprised of ten-unit floorplates (the "**Low-Rise Section**");

(ii) levels 49 through 61, comprised of six-unit floorplates (the "**Mid-Rise Section**"); and

(iii) levels 62 through 85, comprised of two-unit or four-unit floorplates (the "**High-Rise Section**").

4.12 As at the Receivership Date, a total of 345 Units had been sold to 343 Unit Purchasers pursuant to Existing CSAs. As set out in the Receiver's Second Report, five of the Existing CSAs were terminated by the Receiver because the Unit Purchasers had defaulted on their deposit obligations pursuant to their respective Existing CSA. In addition, as set out in the

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the collateral specified in the security documentation to which the *Personal Property Security Act* (Ontario) (the "**PPSA**") applies and which is charged under the security documentation; and (ii) the charges registered against title to the Project in favour of the Secured Parties create a good and valid fixed charge over the Project.

[6] The Project initially included 416 Units, but two Units were combined by the relevant Unit Purchasers.

Joint Report, nine of the Existing CSAs were previously disclaimed by the Receiver, leaving a total of 329 outstanding Existing CSAs, as follows:

Levels	Existing CSA Count
Low-Rise Section	279
Mid-Rise Section	39
High-Rise Section	11
Total Outstanding Existing CSAs	**329**

4.13 The Units purchased under the 329 Existing CSAs were sold at an average gross sales price per square foot ("**PSF**") of $1,651.

Deposits Paid by Unit Purchasers

4.14 As is typical in pre-construction condominium sales, Unit Purchasers were generally required to pay deposits representing 20% of the purchase price of their respective Units. Such deposits were paid directly to the escrow agent for the Project, Harris, Sheaffer LLP (the "**Escrow Agent**"), in trust. Based on the Companies' books and records, a total of approximately $105 million in deposits (the "**Existing Deposits**") was funded by Unit Purchasers to the trust account maintained by the Escrow Agent (the "**Deposit Trust Account**"). Approximately $102 million of the Existing Deposits were used to fund construction prior to the commencement of the Receivership Proceedings, resulting in approximately $3.17 million of remaining Existing Deposits, plus approximately $872,000 in interest (which has continued to accrue since the Receivership Date), being held with the Escrow Agent as at the Receivership Date.

Tarion Bond and Deposit Insurance Provided by Aviva

4.15 In Ontario, deposits received from condominium unit purchasers must be held by a prescribed trustee in a separate trust account until sufficient security for such deposits has been provided, at which point the deposits may be released to the developer to fund construction. Such security includes a back-stop surety bond in respect of Tarion Warranty Corporation's ("**Tarion**") deposit protection in respect of the first $20,000 of a purchaser's deposit, as well as third-party excess deposit insurance for deposit amounts paid by Unit Purchasers above $20,000 that are released from trust and used to fund construction.

4.16 Aviva, through its agent Westmount Guarantee Services Inc., agreed to provide the above-noted surety bond and deposit insurance in respect of the Project. Specifically, Aviva agreed to provide the following:

(i) a bond issued to Tarion on behalf of the Nominee, in the amount of $8,320,000 (representing $20,000 per Unit under the Base Configuration) (the "**Tarion Bond**"); and

(ii) excess condominium deposit insurance issued to the Nominee to insure deposits (plus applicable interest) paid by Unit Purchasers that are used by the Companies to fund construction of the Project (the "**Excess Deposit Insurance**"), with a coverage limit of $201,680,000.

4.17 Aviva agreed that if the Companies failed to repay the deposits paid by Unit Purchasers under their respective Existing CSAs, then Aviva would refund the applicable Existing

Deposits (plus applicable interest) to such Unit Purchasers.[7] If Aviva made such payments, then it was entitled to claim recovery of the amounts it paid out to Unit Purchasers from the Companies pursuant to certain indemnities given by the Companies, among others.[8]

4.18 The Companies could potentially become indebted to Aviva in the total principal amount of approximately $102 million[9] (being the total amount of deposits released to fund construction of the Project) pursuant to the indemnities given in connection with the Tarion Bond and the Excess Deposit Insurance.

4.19 To secure these obligations, the Nominee granted Aviva: (i) a second-ranking charge (the "**Aviva Mortgage**") against the Project in the principal sum of $210 million, registered against title to the Project, subordinate to the Senior Secured Lenders' security; and (ii) a first-ranking security interest in respect of deposits held in the Deposit Trust Account and all accrued interest on same (approximately $4.4 million as of September 30, 2025), in respect of which financing statements have been registered under the PPSA.

4.20 Upon the disclaimer of Existing CSAs, Aviva will be obligated to make substantial payments to Unit Purchasers in respect of Existing Deposits pursuant to the Tarion Bond and the Excess Deposit Insurance, thereby triggering an indemnity claim against the Companies and other indemnifying parties. The Monitor and CRO do not expect that the Aviva Mortgage has any value, as it is subordinate to the Senior Secured Lenders' security

[7] The Tarion Bond provides protection to Tarion as the obligee thereunder; however, the Monitor understands that Aviva will refund deposits (plus applicable interest) directly to Unit Purchasers in connection with its obligations under the Tarion Bond.

[8] The Monitor understands that the other indemnitors are Mizrahi Inc., Sam M Inc., 8891303 Canada Inc. and Sam Mizrahi.

[9] As noted in footnote 4 above, this amount currently represents a potential debt and does not include accrued interest.

and the Senior Secured Lenders are not expected to recover their outstanding indebtedness in full. As a result, Aviva's recovery from the Companies is likely to be limited to the funds that remain available in the Deposit Trust Account over which it holds a first-ranking security interest, in priority to the Senior Secured Lenders and other creditors.

5.0 EARLY INVESTIGATIONS AND VALUE MAXIMIZATION EFFORTS

5.1 As noted above, the Receiver's core mandate was to maximize the value of the Project. In furtherance of the mandate, it engaged various professionals to understand the value of the Residential Component and explore strategies to maximize that value.

5.2 The Receiver was consistently advised by these professionals that the Units could be sold for higher prices if the Existing CSAs were disclaimed and the Units were resold at forecast market prices based on the proposed CSA Plan Reconfiguration and with luxury five-star hotel branding.

The Milborne Group

5.3 The Receiver engaged the Milborne Group ("**Milborne**") in October 2023 to assess the value of the Existing CSAs and provide advice on how to maximize the value of the Residential Component. Milborne is one of Canada's pre-eminent pre-construction sales and consulting firms. It has facilitated the sale of more than $90 billion in pre-construction condominium sales, including some of Canada's largest and most complex developments.

5.4 Milborne completed a detailed Comparative Market Analysis dated November 21, 2023 (the "**Milborne CMA**"), assessing the prices paid for condominium units in comparable projects that had launched recently in and around the Yorkville neighbourhood. The

Milborne CMA is attached as **Confidential Appendix "1"**. A sealing order is being sought in respect of the Milborne CMA because it contains commercially sensitive information regarding Unit values that, if disclosed, could impair efforts to maximize the value of the Project.

5.5 As part of the Milborne CMA, Milborne also analyzed the 343 Existing CSAs, individually and as a group, to determine how they affected the value of the Project. The 343 Existing CSAs yielded an average price PSF of $1,816, which Milborne concluded was "significantly lower than what the immediate area dictates" and so it was "prudent to explore different scenarios".

5.6 Milborne identified the two most important issues to maximizing the value of the Project as sponsorship (which refers to the developer that is selling and building a project) and hotel brand. With respect to the latter, Milborne advised the Receiver that partnering with a well-known luxury hotel brand and selling branded condominium units could "significantly increase overall revenue, potentially boosting value/pricing by up to 20%, and giving a meaningful boost to the total offering".

Urbanation Inc.

5.7 The Receiver also engaged the services of another advisor, Urbanation Inc. ("**Urbanation**"). Urbanation is a highly reputable real estate consulting firm with over 40 years of experience providing research, in-depth market analysis and consulting services regarding the high-rise condominium market in Toronto.

5.8 Urbanation was first engaged by the Receiver in late 2023 to provide an analysis of the fair market value of the Units. Urbanation conducted a detailed analysis of the Project and the Existing CSAs, and concluded in its Residential Market Analysis Study & Assessment dated December 2023 (the "**2023 Urbanation Report**") that the Project could significantly increase revenue by reselling all of the Units at the then-current market value.

5.9 In the 2023 Urbanation Report, Urbanation also recommended reconfiguring the High-Rise Section to reduce the number of very large Units considering, among other factors, the Companies' difficulty selling the largest and most expensive Units in the Project. The 2023 Urbanation Report is attached as **Confidential Appendix "2"**.

5.10 The Toronto condominium market experienced significant difficulty in 2024 and 2025. Accordingly, in June 2025, the Receiver again engaged Urbanation to provide an updated analysis of the fair market value of the Units assuming that the Project re-launched sales of condominium units in the second quarter of 2026, taking into account the proposed CSA Plan Reconfiguration and the Project's anticipated partnership with a five-star luxury hotel brand (the "**2025 Urbanation Report**"). The 2025 Urbanation Report is attached as **Confidential Appendix "3"**.

5.11 In the 2025 Urbanation Report, Urbanation conducted a detailed analysis of the Yorkville sub-market, and the high-end condominium market in Toronto. Urbanation ultimately determined that the Project could command a significant premium over the average PSF contemplated by the Existing CSAs. In addition, Urbanation proposed alternatives for the Unit mix and sizing and made recommendations to the Companies in respect of same, which are consistent with the proposed CSA Plan Reconfiguration.

5.12 In connection with the 2025 Urbanation Report, the Receiver also requested that Urbanation examine the potential benefits of partnering with a five-star luxury hotel brand and selling branded condominium units. The 2025 Urbanation Report specifically examined the premiums obtained by recently sold luxury branded condominium units,[10] as well as other luxury hotel/condominium developments in downtown Toronto. The 2025 Urbanation Report confirmed that each of the branded projects generated a material premium over prevailing market pricing, with sold prices at the time of full project absorption reflecting a 56% premium over the market average. Urbanation also made recommendations regarding the types of amenities that could be introduced to the Project, including amenities specific to hotel-branded residences.

5.13 The 2025 Urbanation Report is consistent with the professional opinions and market feedback received to date, confirming the benefits of optimizing the total Unit mix in a manner consistent with the proposed CSA Plan Reconfiguration and partnering with a luxury hotel brand to sell branded condominium units.

5.14 A sealing order is being sought in respect of the 2023 Urbanation Report and the 2025 Urbanation Report because they contain commercially sensitive information regarding Unit values that, if disclosed, could impair efforts to maximize the value of the Project.

Unit Pricing Comparison Analysis

5.15 In comparison to the average PSF contemplated in the 343 Existing CSAs, each of the Milborne CMA, the 2023 Urbanation Report, and the 2025 Urbanation Report projected a

[10] The market study included Toronto projects branded by Four Seasons, Ritz-Carlton, Shangri-La and St. Regis.

materially higher average PSF for the Units based on prevailing market prices, changes to the Unit mix and partnering with a luxury hotel brand, as applicable. A summary table (the "**Unit Pricing Analysis**") comparing the PSF of the Existing CSAs to the projected PSF provided by each of Milborne, Urbanation and Tridel is attached as **Confidential Appendix "4"**. A sealing order is being sought in respect of the Unit Pricing Analysis because, like the Milborne CMA and the Urbanation reports, it contains commercially sensitive information regarding Unit values that, if disclosed, could impair efforts to maximize the value of the Project.

6.0 THE SISP OFFERED CONSISTENT FURTHER FEEDBACK ON THE EXISTING CSAS

6.1 In addition to the Receiver's consultations with external professionals, the Receiver concurrently launched the SISP, which was a critical step towards maximizing the value of the Project, and confirmed the market's perspective that additional value could be achieved if the Existing CSAs were disclaimed and the Units were resold at forecast market prices.

Feedback Received in Preparation for the SISP

6.2 Before commencing the SISP, the Receiver solicited proposals from experienced and reputable real estate brokerage and advisory firms to assist in designing and implementing the SISP, as described in the Second Report of the Receiver dated May 28, 2024 (the "**Receiver's Second Report**"). The Receiver's Second Report is attached (without appendices) as **Appendix "C"**.

6.3 The Receiver received detailed proposals from two leading brokerages, both of which identified the possibility of disclaiming the Existing CSAs and reselling Units for higher prices as a key driver of potential additional revenue.

6.4 The successful broker proposal from Jones Lang LaSalle Real Estate Services Inc. ("**JLL**") recommended a "deep dive" analysis to identify whether any of the Existing CSAs should be disclaimed so that Units could be resold at forecast market prices, and advised that "significant incremental revenue can be potentially attained" by disclaiming Existing CSAs. The JLL Proposal is attached as **Confidential Appendix "5"**. A sealing order is being sought in respect of the JLL Proposal as it contains commercially sensitive information regarding the Project, including as relates to the estimated values of the individual components of the Project that, if made public, could impair efforts to maximize the value of the Project.

6.5 The Receiver ultimately engaged JLL to assist in designing and implementing the SISP to solicit potential value-maximizing transactions for the Project.

Approval of the SISP

6.6 The SISP was designed to solicit interest in the opportunity to either: (i) acquire or invest in the Project (a "**Transaction Proposal**"); or (ii) enter into an arrangement with the Senior Secured Lenders to complete the construction, development and realization of value from the Project (a "**Development Proposal**").

6.7 Participating Bidders (as defined in the SISP) were encouraged to consider strategies in respect of the Residential Component. In the case of a Development Proposal, paragraph

18(e)(ii)(D) of the SISP specifically required that each Participating Bidder include a preliminary description of their business plan for each component of the Project (defined in the SISP as a "**Development Plan**"), including the Residential Component:

> …a preliminary description of the Participating Bidder's plans for the development of the Project (the "**Development Plan**") which may include: (i) a pro forma model and estimated timeline to complete construction of the Project; (ii) any proposed construction changes and the impacts, if any, on the construction schedule; (iii) proposed sales, marketing and branding strategies for the Residential Component; (iv) the proposed business plan for the Commercial Component of the Project, including the hotel, restaurant and parking components;

6.8 The SISP also required that Participating Bidders wishing to submit a Transaction Proposal or a Development Proposal provide specific details regarding their proposed treatment of existing Unit Purchasers.

6.9 The SISP was approved pursuant to the Order (Approval of SISP) dated June 6, 2024, and Endorsement dated June 11, 2024, which are attached as **Appendix "D"** and **Appendix "E"**, respectively. In approving the SISP, the Court found that it was in the best interests of stakeholders to "let the market speak".

None of the Qualified LOIs contemplated affirmation of all Existing CSAs

6.10 After the SISP was approved by the Court, the Receiver and JLL conducted the SISP in accordance with its terms. The conduct and results of the SISP are described in the Sixth Report of the Receiver dated December 11, 2024 (the "**Receiver's Sixth Report**"), and the Joint Report. A copy of the Receiver's Sixth Report (without appendices) is attached as **Appendix "F"**.

6.11 As described in the Receiver's Sixth Report, the SISP solicited significant interest from a large number of potentially interested parties, including many of Canada's most sophisticated and experienced developers. The Receiver ultimately received LOIs (as defined in the SISP) from 11 Participating Bidders following Phase 1 of the SISP, eight of which included comprehensive Development Proposals.

6.12 Most of the LOIs for Development Proposals included detailed and comprehensive Development Plans that considered, among other things, value maximizing strategies for the Residential Component, assessments of potential value engineering and cost saving initiatives, and proposed fee schedules. The Receiver and JLL reviewed these LOIs in detail, including each of the Participating Bidders' Development Plans.

6.13 In accordance with the terms of the SISP, the Receiver, in consultation with JLL and the Senior Secured Lenders, determined that four of the LOIs received in respect of Development Proposals were Qualified LOIs (as defined in the SISP).

6.14 The applicable LOIs were determined to be Qualified LOIs because, among other reasons, they: (i) were submitted by developers identified as being able to provide the best combination of experience, expertise and capabilities to complete the development of the Project in a timely, efficient and value maximizing manner; and (ii) were acceptable to the Senior Secured Lenders (solely for purposes of proceeding to Phase 2).

6.15 The Development Proposals submitted as part of the SISP each considered the treatment of Existing CSAs. Three of the four Qualified LOIs specifically recommended disclaiming all of the Existing CSAs. The remaining Qualified LOI proposed a combination of disclaiming Existing CSAs and retaining certain higher value Existing CSAs.

6.16 A summary of the proposed treatment of the Existing CSAs and related considerations in each of the Development Proposals is set out below: [11]

Developer	Residential Component Proposal
Qualified Bids	
Tridel	• Disclaim all Existing CSAs • Consider reconfiguration alternatives under various design scenarios • Introduce new branding to re-establish premium reputation
B	• Disclaim all Existing CSAs, except for certain units that may be difficult to resell • Introduce luxury hotel operator
C	• Disclaim all Existing CSAs • Commence process to consider new luxury hotel operator
D	• Two proposed strategies: (i) disclaim all Existing CSAs; or (ii) disclaim unqualified Existing CSAs, and retain Existing CSAs in good-standing • Introduce luxury branded residence concept
Other Development Proposals	
E	• Disclaim all Existing CSAs, except for certain qualified penthouse units • Introduce new luxury hotel operator and branded residences • Reconfigure certain floors of the Project
F	• Disclaim Existing CSAs to increase recoveries while retaining certain higher value Existing CSAs • Reconfigure certain floors
G	• In-depth market study to determine which Existing CSAs should be disclaimed or retained • Re-branding strategy to be developed
H	• Retain Existing CSAs that are aligned with market prices, and consider a broad disclaimer process if and when market conditions improve • Reconfiguration to be considered • Review process to consider alternative hotel operators

[11] In addition to the proposals summarized herein, two other proposals were received that were determined not to be implementable, one of which did not address the treatment of Existing CSAs, and one of which contemplated the disclaimer of all Existing CSAs. Furthermore, following the completion of the SISP, a new party emerged who indicated that if it was able to purchase the Project, it planned to affirm and complete the Existing CSAs; however, the Monitor does not believe that such party was a viable purchaser of the Project.

6.17 In addition to those Development Proposals set out in the foregoing table, the Receiver also received a separate Development Proposal from one Participating Bidder (the previous developer of the Project). This Development Proposal contemplated the termination of certain of the Existing CSAs so that the applicable Units could be resold at current market prices. After carefully reviewing the Development Proposal submitted by this Participating Bidder (which required, among other things, that financing continue to be provided by the Senior Secured Lenders, among others), and consulting with JLL and the Receiver's counsel in respect of same, the Receiver ultimately determined, in its business judgment, that the LOI received in respect of this Development Proposal was not a Qualified LOI and advised the relevant Participating Bidder as such.

The Tridel Development Proposal was Selected

6.18 The Receiver, in consultation with the Senior Secured Lenders, determined that Tridel's Development Proposal presented the best opportunity to maximize the value of the Project, both because of the value-maximizing strategies set out in Tridel's Development Plan and because of Tridel's significant experience developing, building and marketing major condominium projects in Toronto.

7.0 VALUE MAXIMIZING STRATEGIES UNDERLYING THE CSA PLAN

7.1 As part of the Tridel Transaction, Tridel agreed to develop the CSA Plan to address, among other things, whether the Companies should affirm or disclaim the Existing CSAs (or some combination thereof). Tridel has, in consultation with the CRO and the Monitor, and further to the third-party consultant and market feedback described above, extensively analyzed value-maximizing alternatives in respect of the Residential Component. Ultimately,

Tridel's analysis has demonstrated that the CSA Plan, in the form described in the next section (which is consistent with the market feedback received to date), is the most value-maximizing option available to the Companies in the circumstances.

7.2 As noted above, the Monitor and the CRO, with the support of the Senior Secured Lenders, are of the view that the CSA Plan and the CSA Plan Reconfiguration represent the best opportunity to maximize the value of the Project as they, together with the other value-maximizing strategies that the Companies plan to pursue, are projected to generate substantial incremental proceeds.

7.3 This additional value depends on three core elements:

(i) disclaiming most (314 of 329) Existing CSAs and reselling the relevant Units, likely in mid- to late-2026, at forecast market prices, which are projected to be materially higher than Existing CSA prices;

(ii) facilitating the implementation of the CSA Plan Reconfiguration to optimize the number, size and configuration of Units in the Project; and

(iii) allowing for a partnership with a five-star luxury hotel brand, including selling branded Units, which is expected to drive increased condominium price premiums. This strategy is already underway and well advanced, but no relief is currently being sought in respect of the Hotel Component (or the associated branding of Units) at this time.

Disclaimer of 314 Existing CSAs

7.4 In addition to the market feedback and analysis described above, Tridel has prepared a sales price list for all Units based on its analysis of existing and forecast market conditions, the impact of the CSA Plan Reconfiguration and the anticipated branded Unit strategy for the Residential Component. A detailed Unit-by-Unit analysis was performed by Tridel to evaluate the expected net proceeds that would be received by closing on Existing CSAs at the contracted price versus selling all Units at each of their forecast market values (the "**CSA Analysis**"). The CSA Analysis is attached as **Confidential Appendix "6"**. A sealing order is being sought in respect of the CSA Analysis as, similar to the other Confidential Appendices, it contains commercially sensitive information regarding Unit values that, if disclosed, could impair efforts to maximize the value of the Project.

7.5 Based on the CSA Analysis, and the advice that the Receiver (now Monitor) has received since its appointment, Tridel, the CRO and the Monitor are of the view that substantially all of the previously-sold Units can be sold for higher prices if the Existing CSAs are disclaimed and the Units are resold at forecast market prices. Further, the incremental sales proceeds that could be generated by entering into new condominium sale agreements at higher prices (each, a "**New CSA**") is substantial.

7.6 The Monitor notes that a portion (although far from all) of these incremental proceeds is a result of new deposits to be paid in respect of New CSAs (each, a "**New Deposit**"), as a purchaser entering into a New CSA will need to pay the entire purchase price required by the New CSA, including a New Deposit.

The CSA Plan Reconfiguration

7.7 As noted, Tridel has recommended a further reconfiguration of the Residential Component to optimize the Project's design in light of recent market conditions and feedback obtained from prospective luxury hotel partners. The CSA Plan was designed to accommodate the CSA Plan Reconfiguration, which will reduce the total number of Units in the Project to 411. The CSA Plan Reconfiguration (and therefore the CSA Plan) is time-sensitive. Based on the current construction schedule, the first construction activities required by the CSA Plan Reconfiguration are scheduled to begin at the end of November 2025.

7.8 Since the commencement of the Receivership Proceedings, two reconfigurations of the Residential Component have been proposed and approved by the Court. These reconfigurations have been driven by changing market conditions and evolving plans to maximize the value of the Project.

7.9 As noted, the Base Configuration of the Residential Component contemplated 415 Units, of which 69 Units had an average size of over 2,600 square feet. The Receiver was advised by several leading professionals that, based on then-current market conditions, reducing the number of very large Units in the Project would allow for faster absorption and maximize value. Accordingly, after consultation with the Senior Secured Lenders, the Receiver determined it was appropriate to reduce the size of certain Units and increase the number of total Units in the Project (the "**2024 Reconfiguration**").[12] Specifically, the 2024 Reconfiguration contemplated the addition of 88 Units to the Project, for a total of 503

[12] The 2024 Reconfiguration was defined as the "Reconfiguration Plan" in the Receiver's Second Report.

Units. The rationale for the 2024 Reconfiguration, which was approved by the Court in June 2024, is set out in the Receiver's Second Report at paragraphs 7.1 to 7.21.

7.10 Tridel reviewed the 2024 Reconfiguration during the SISP due diligence process and, as part of its Development Proposal, proposed a further reconfiguration (the "**SISP Reconfiguration**")[13] that would increase the size of certain Units on the upper floors of the Project, reduce the size of the grand penthouse Units, and thereby reduce the total number of Units by 27 to a total of 476 Units. The SISP Reconfiguration was a response to, among other things, shifting market conditions. Specifically, and as described further below, the market for smaller investor-type condominium units has suffered significant challenges since the Receiver was appointed. The SISP Reconfiguration therefore sought to optimize the number of larger Units in the Project in light of these market conditions.

7.11 Following Tridel's initial engagement in December 2024, it commenced a comprehensive review of the Project, including an in-depth analysis of the residential floorplans, suite layouts and sizes, and other key elements of the Residential Component, to identify opportunities to optimize use of the existing structure.

7.12 Based on feedback received from brands in the Hotel Process (as defined below), detailed reviews of current and expected condominium market conditions in Toronto, cost benefit analyses to assess the financial and schedule impacts of a further reconfiguration, as well as the expected velocity/absorption of different Unit sizes/mixes, and feasibility studies performed on design and constructability, Tridel has proposed a further reconfiguration for

[13] The SISP Reconfiguration was defined as the "Tridel Reconfiguration" in the Joint Report.

the Residential Component of the Project, which would result in a total of 411 Units (the "**CSA Plan Reconfiguration**").

7.13 The market for smaller investor-type condominium units has continued to face significant challenges in 2025. These smaller units are primarily purchased by investors seeking to rent them to residential tenants. Investor demand has reduced substantially in every year since 2022. However, because condominium developments are planned, marketed and partially sold long before construction is complete, builders continue to construct a large number of smaller condominium units. This has resulted in a significant oversupply of smaller condominium units in Toronto, further justifying the need to reduce the number of Units of this type in the Project.

7.14 According to market data sourced from Urbanation and Tridel's own internal data, larger condominium units have outperformed smaller units since 2022. Sales velocity of luxury units (with sale prices over $4 million) have decreased at a slower pace compared to smaller investor-type units and sales velocity of ultra-luxury units (with sale prices over $10 million) have increased slightly. As a result of these developments, the CSA Reconfiguration Plan includes more luxury and ultra-luxury units as compared to the 2024 Reconfiguration and the SISP Reconfiguration.

7.15 The CSA Plan Reconfiguration also addresses important feedback received from participants in the Hotel Process. Five leading luxury hotel operators have participated in the ongoing Hotel Process. Each of them reviewed the SISP Reconfiguration and advised that the number of Units should be reduced to maximize the benefits of a luxury hotel branded Unit strategy.

7.16 In summary, the proposed CSA Plan Reconfiguration is based on the following:

(i) there is a significant oversupply of small condominium units in the Toronto market, and reducing the number of small one-bedroom and one-bedroom plus den units is expected to help sales velocity and absorption;

(ii) purchasers are expected to pay more for two-bedroom units, and so converting certain one bedroom and one bedroom plus den units to two-bedroom units is expected to increase overall proceeds;

(iii) the reduction in Units will better align the Project with a five-star luxury standard as the reduced Unit count will minimize overall foot traffic in the building and generate higher amenity space per Unit, factors that are expected to increase the amount purchasers will pay for a Unit; and

(iv) the CSA Plan Reconfiguration does not change layouts from Levels 19 to 39, which will minimize any impact to the construction schedule and costs.

7.17 The CSA Plan Reconfiguration is expected to optimize the number of larger units in the Project while balancing the velocity of sales of such Units. A comparison of the number of residential Units and the floor plate configurations contemplated under the CSA Plan Reconfiguration as compared to the SISP Reconfiguration is summarized below. A graphic representation of the floor plate configurations is also attached as **Appendix "G"**.

Summary of Reconfiguration of the Project[14]		
Residential Floors	**SISP Reconfiguration**	**CSA Plan Reconfiguration**
Levels 19 to 39	10-units	10-units
Levels 40 to 48	10-units	6-units
Levels 49 to 56	6-units	6-units
Levels 59 to 61	8-units (new layout)	6-units (new layout)
Levels 62 to 69	8-units (new layout)	6-units (new layout)
Levels 70 to 76	6-units (new layout)	5-units (new layout)
Levels 79 to 81	4-units	4-units
Levels 82 to 85 (penthouses)	7-units (five 2-storey, two 3-storey)	7-units (five 2-storey, two 3-storey)
TOTAL UNITS	**476 units[15]**	**411 units[15]**

7.18 As illustrated in the table above, changes required by the CSA Plan Reconfiguration begin to deviate from the SISP Reconfiguration on Level 40. The current construction schedule provides that interior construction of Level 40 will begin at the end of November 2025. The Companies therefore require certainty with respect to the implementation of the CSA Plan and the CSA Plan Reconfiguration in the near term to avoid any delay to the construction schedule and the substantial costs that such a delay could cause.

7.19 One consequence of the CSA Plan Reconfiguration is that 93 Units sold pursuant to an Existing CSA will not be built. Although the total Unit count under the CSA Plan Reconfiguration (411 Units) is not significantly different to the Base Configuration (415 Units), under the CSA Plan Reconfiguration, most of the residential levels will contemplate

[14] Grey shading in table indicates floors with no change in floorplate design.

[15] Including one unit comprised of two units combined on Level 54 and 55.

a different floorplate design in comparison to the Base Configuration to facilitate improvements to the residential suite layouts. Specifically, Units sold pursuant to an Existing CSA for Units that are located on Levels 40 to 48 and Levels 59 and higher under the Base Configuration will be built out of existence under the CSA Plan Reconfiguration.

7.20 If the CSA Plan Reconfiguration is implemented, the Companies will be unable to complete the transactions contemplated by the Existing CSAs for these 93 Units. The CSA Plan and the concurrent disclaimer of the Units as contemplated therein are therefore necessary to ensure the successful implementation of the CSA Plan Reconfiguration and uninterrupted construction of the Project, and to provide certainty to affected Unit Purchasers.

The Branded Unit Strategy

7.21 As noted above, during the Receivership Proceedings, the Receiver, in consultation with JLL, determined that there were opportunities to further maximize value in respect of the Hotel Component. In light of these opportunities, one of the conditions precedent to the Tridel Transaction was that, prior to the effective date of the Tridel Transaction, the Existing Hotel Agreements would be disclaimed by the Receiver. The Receiver disclaimed the Existing Hotel Agreements on February 6, 2025.

7.22 Since this disclaimer, Tridel, in consultation with the Monitor, the CRO and the Senior Secured Lenders, has been working with Jones Lang LaSalle Americas, Inc., an experienced hotel investment broker, as hotel advisor (the "**Hotel Advisor**"), to advance the hotel brand selection process (the "**Hotel Process**"). As described in the First Report, the Hotel Process has included a broad canvassing of hotel operators to identify a five-star

luxury brand that will optimize the value of the Hotel Component and the Residential Component.

7.23 The Hotel Process is well advanced with a small group of luxury hotel brands. It is anticipated that Tridel will be making a brand recommendation to the Monitor, the CRO and the Senior Secured Lenders in the coming weeks, followed by the execution of a term sheet and negotiation of definitive documents.

7.24 Based on the analysis completed by Tridel, in consultation with the Monitor and the CRO, it is expected that by partnering with a luxury hotel brand, and leveraging that brand to maximize the value of the Units through a branded Unit strategy, the Companies will be able to maximize the value of the Project.

7.25 To implement this branded Unit strategy, certain changes to the Units are required to ensure that they align with the standards of a luxury hotel brand. These changes will be finalized once a hotel partner is selected, but will include re-designed suites, optimized to provide elevated interior finishes, including enhanced millwork, closets, kitchen and bathroom fixtures, among other improvements, all of which are consistent with the CSA Plan Reconfiguration.

7.26 These enhancements will require additional investment into the Units. However, the CRO and the Monitor expect that the additional revenue generated by selling branded Units will significantly exceed the additional investment required to build those Units.

7.27 The Existing CSAs are incompatible with the branded Unit strategy that the Companies plan to pursue. Almost all Existing CSAs contemplate sales at prices that are below current

and forecast market prices. Further, the branded Unit strategy is expected to provide incremental value for each Unit through branding and other enhancements. As a result, the implementation of a branded Unit strategy will further increase the difference between the price of the Existing CSAs and the price that the Companies believe they can sell branded Units for on the open market in late 2026/early 2027.

8.0 THE CSA PLAN

8.1 The CSA Plan has been developed to effect the value maximizing strategies described above while mitigating, to the extent possible, adverse impacts on any stakeholders. The CSA Plan has also been developed in light of the core need to continue construction of the Project without delay.

8.2 The proposed CSA Plan contemplates two key components:

(i) the disclaimer of 314 Existing CSAs (collectively, the "**Disclaimed CSAs**") in respect of Units that are projected to be resold at values that will generate higher revenues for each Unit;[16,17] and

(ii) the potential retention of 15 Existing CSAs (collectively, the "**Potentially Retained CSAs**") identified as being economically viable for the Project, subject to the terms set out in the proposed CSA Plan.

[16] This includes the 93 Units that are proposed to be reconfigured pursuant to the CSA Plan Reconfiguration.

[17] Of the 314 Disclaimed CSAs, 18 have deposit shortfalls pursuant to their respective Existing CSA.

8.3 With respect to the Disclaimed CSAs, the proposed CSA Plan provides as follows:

(i) Disclaimer of Disclaimed CSAs. The Disclaimed CSAs will be disclaimed by the Companies in accordance with the CCAA. The return of all deposits (plus applicable interest) paid by Unit Purchasers under Disclaimed CSAs will be governed by the proposed Deposit Return Protocol.

(ii) Early Purchase Opportunity. Each Unit Purchaser under a Disclaimed CSA, as well as any Unit Purchaser whose CSA was disclaimed prior to the date of the CSA Plan, will be offered an opportunity (the "**Early Purchase Opportunity**") to enter into a New CSA with the Vendor for the purchase of any available Unit at the prevailing list price at that time, which will be available to the Unit Purchaser for a forty-five (45) day period prior to the date all Units are listed to the general public for sale by the Vendor. The Early Purchase Opportunity ensures that all Unit Purchasers who still wish to purchase a Unit in the Project will be given an opportunity to do so.

8.4 Under the CCAA, contract disclaimers are subject to a 30-day notice period. Accordingly, to avoid any delays in construction and ensure that any potential objections to the disclaimers of the Disclaimed CSAs could be heard in conjunction with seeking Court approval of the CSA Plan, the Companies issued disclaimer notices to all Unit Purchasers under Disclaimed CSAs on October 24, 2025. A copy of the form of disclaimer notice and related cover letter delivered by the Companies to such Unit Purchasers is attached as **Appendix "H"**. The disclaimers of the Disclaimed CSAs are contemplated to be effective on November 23, 2025.

8.5 With respect to the Potentially Retained CSAs, the proposed CSA Plan provides as follows:

(i) Retention of Potentially Retained CSAs. The Potentially Retained CSAs will not be disclaimed by the Companies at this time; rather, the Companies (through Tridel) will attempt to contact the relevant Unit Purchasers to determine if they are ready, willing, and able to complete the purchase of the Unit purchased under their Potentially Retained CSA, or a substantially similar Unit, as applicable, on the following terms (collectively, the "**Amended CSA Terms**"):

(a) to the extent the Unit purchased by the Unit Purchaser under its Potentially Retained CSA will not be available under the CSA Plan Reconfiguration, the Unit Purchaser agrees to accept a substantially similar Unit;

(b) the Unit Purchaser agrees to enter into a New CSA for the Unit purchased under their Potentially Retained CSA, or a substantially similar Unit, as applicable, with the same purchase price as the purchase price for the Unit under the Unit Purchaser's Potentially Retained CSA, or such other amount as may be agreed to; and

(c) Aviva shall have agreed to make a payment to the Project in respect of the Unit Purchaser's Potentially Retained CSA in an amount and on other terms and conditions acceptable to the Companies, in consultation with the Monitor and the DIP Lender, in its sole and absolute discretion.

(ii) Potential Disclaimer of Potentially Retained CSAs. If the Companies, following consultation with the Monitor, determine that any Unit Purchaser is not ready,

willing and able to complete the purchase of the Unit purchased under their Potentially Retained CSA, or a substantially similar Unit, as applicable, in each case on the Amended CSA Terms, the Companies, with the prior approval of the Monitor, shall be authorized (but not required) to disclaim the Potentially Retained CSA pursuant to the CCAA, and such Potentially Retained CSA shall, upon its disclaimer in accordance with the CCAA, become a Disclaimed CSA for all purposes under the CSA Plan.

8.6 The process contemplated by the CSA Plan is outlined in further detail in the document appended as Schedule "A" to the proposed CSA Plan Approval Order.

9.0 STAKEHOLDERS AFFECTED BY THE CSA PLAN AND THE CSA PLAN RECONFIGURATION

9.1 As set out above, the Companies, through the CRO and in consultation with Tridel and the Monitor, have determined that pursuing the CSA Plan Reconfiguration, disclaiming the majority of Existing CSAs through the CSA Plan, and reselling the Units at forecast market prices as part of a luxury hotel branded Unit strategy is the best available path to maximizing the value of the Residential Component.

9.2 Consideration has been given to the impact that the implementation of the CSA Plan and CSA Plan Reconfiguration will have on stakeholders.

Senior Secured Lenders

9.3 The Senior Secured Lenders are, by far, the largest source of funding for the Project (including all funding provided since the Receivership Date) and are owed more than $2.0 billion (inclusive of interest), including $312.8 million advanced under the RFCA and the

DIP Credit Agreement. As noted above, proceeds from the Project are unlikely to be sufficient to repay the outstanding indebtedness owed to the Senior Secured Lenders. As a result, the Senior Secured Lenders are the only stakeholder with a direct financial interest in the recoveries from the Project.

9.4 Under the terms of the DIP Credit Agreement, the Companies must cause Tridel to, diligently and as soon as reasonably possible, develop a plan for the treatment of the Existing CSAs (i.e., the proposed CSA Plan). Funding under the DIP Credit Agreement is predicated on the Companies' compliance with the terms thereof and, accordingly, any delays in Court approval of the CSA Plan risk impacting the Companies' access to funding needed to build the Project and continue the CCAA Proceedings.

9.5 The Senior Secured Lenders were consulted during the development of the CSA Plan and the CSA Plan Reconfiguration and have approved them. As detailed above, the CSA Plan and the CSA Plan Reconfiguration are expected to significantly enhance the Senior Secured Lenders' recoveries in accordance with their priority entitlements.

Existing Unit Purchasers

9.6 Implementation of the CSA Plan will result in Unit Purchasers under Disclaimed CSAs losing their contractual right to purchase Units on the terms set out in their respective Disclaimed CSAs. The Monitor expects that these Unit Purchasers will recover all of the deposits they have paid in connection with their Disclaimed CSA (plus applicable interest thereon) from Aviva, in accordance with the terms of the Tarion Bond and the Excess

Deposit Insurance, and the Companies are therefore seeking approval of the proposed Deposit Return Protocol to facilitate the return of such deposits.

9.7 Many of the Unit Purchasers entered into their respective Existing CSAs in 2017 and 2018. They made deposit payments many years ago and have faced significant uncertainty with respect to whether and when they would be able to complete the transactions contemplated by their respective Existing CSAs, or when they would recover their deposit. The CSA Plan provides certainty to these Unit Purchasers.

9.8 If Unit Purchasers under Disclaimed CSAs still want to purchase a Unit in the Project, the CSA Plan provides them with an opportunity to do so through the exclusive Early Purchase Opportunity.

9.9 To the extent that the value of the Unit purchased by the Unit Purchaser has increased since the date of their Disclaimed CSA, such Unit Purchaser may have a claim for damages against the Companies as a result of the disclaimer of their Disclaimed CSA. However, such claim would be unsecured, and the Monitor does not expect that funds will be available to make distributions on unsecured claims. The Monitor also notes that the Existing CSAs include an acknowledgment by the Purchaser that by executing the Existing CSA, the Unit Purchaser has not acquired any equitable or legal interest in the applicable Unit or the Property.[18] The standard form of CSA used for the Project is attached as **Appendix "I"**.

[18] See section 16 of the Project's standard form of CSA for a sample of this provision.

Communications with Unit Purchasers

9.10 Since the commencement of the Receivership Proceedings, the Receiver and the Monitor, as applicable, have communicated with Unit Purchasers regarding the status of the Receivership Proceedings and the CCAA Proceedings. Copies of the notices and communications to Unit Purchasers are attached as **Appendix "J"**. Unit Purchasers are also able to access relevant information about the Receivership Proceedings and the CCAA Proceedings on the Case Website, and contact the Receiver and Monitor by email and telephone.

9.11 The Receiver and the Monitor have received periodic inquiries from various Unit Purchasers concerning the status of the Companies' insolvency proceedings and the Existing CSAs by email and by phone. Many of these Unit Purchasers have asked about the possibility of terminating their Existing CSA or otherwise recovering the deposits paid in connection with their Existing CSA.

9.12 In the Receiver's first communication to Unit Purchasers on October 20, 2023, the Receiver expressly advised that it intended to review the Existing CSAs in conjunction with a review of the fair market values of the Units to determine what, if any, steps would be taken with respect to Existing CSAs. The Receiver (now Monitor) was not in a position to confirm to Unit Purchasers what steps would be taken with respect to the Existing CSAs until the extensive process required to develop the CSA Plan (as described herein) was complete.

9.13 On October 24, 2025, in conjunction with the issuance of the disclaimer notices in respect of the Disclaimed CSAs, the Companies, through the CRO and with the assistance of the Monitor and Tridel, implemented a comprehensive communication plan to provide

affected Unit Purchasers with additional information regarding the proposed CSA Plan and Deposit Return Protocol, and the related next steps. Copies of the initial communications to affected Unit Purchasers are attached as **Appendix "K"** and summarized here:

(i) *Disclaimer Letter* – together with the disclaimer notice, the Companies, through the CRO and in consultation with the Monitor, delivered a letter providing an overview of the disclaimer, the proposed Deposit Return Protocol, the Early Purchase Opportunity that is contemplated to be made available to Unit Purchasers and information regarding the upcoming Court hearing;

(ii) *Tridel Letter* – following the issuance of the disclaimer notice by the Companies, Tridel delivered a letter to impacted Unit Purchasers regarding, among other matters, the Early Purchase Opportunity; and

(iii) *FAQ Document* – a document was posted to the Case Website to assist Unit Purchasers by addressing frequently asked questions regarding the disclaimer of the Disclaimed CSAs, the proposed Deposit Return Protocol and other related matters.

9.14 Since the issuance of the disclaimer notices for the Disclaimed CSAs on October 24, 2025, the Monitor and/or the CRO has been contacted by approximately 60 Unit Purchasers, and has actively, along with the CRO, responded to each of the inquiries it received from those Unit Purchasers. Of this group, approximately 30 Unit Purchasers have advised that they are content to receive a refund of the deposit paid under their Disclaimed CSA, and approximately 10 Unit Purchasers have expressed a level of disappointment or otherwise

indicated that they would like to retain their Unit. The remaining inquiries were from Unit Purchasers seeking additional information.

9.15 In the cover letter accompanying the disclaimer notices sent on October 24, 2025, Unit Purchasers under Disclaimed CSAs were provided notice of the Companies' motion seeking approval of the proposed CSA Plan Approval Order, scheduled for November 17, 2025. A further notice of the Companies' motion will be provided to all Unit Purchasers, including those under Potentially Retained CSAs, following service of the Companies' motion materials, wherein Unit Purchasers will be provided access to such materials.

Aviva

9.16 As described above, Aviva agreed to insure repayment of the deposits paid by Unit Purchasers in accordance with the terms of the Tarion Bond and the Excess Deposit Insurance. If the CSA Plan is implemented, Aviva is expected to fulfill its contractual obligations and repay deposits (including applicable interest) to Unit Purchasers under Disclaimed CSAs. It is unlikely that Aviva will be able to recover the amounts that it pays out to Unit Purchasers, apart from applicable amounts remaining in the Deposit Trust Account, as the Aviva Mortgage ranks behind the Senior Secured Lenders' security and it is not expected that the entirety of the Senior Secured Lenders' debt will be repaid.

9.17 The Monitor recognizes that the CSA Plan will both maximize the value of the Project, for the primary benefit of the Senior Secured Lenders, and result in Aviva having to fulfill its insurance obligations with respect to the Project. This realization of Aviva's insurance

exposure is not, in the Monitor's view, a basis to refuse to approve the CSA Plan. Specifically:

(i) the legal priorities as between Aviva and the Senior Secured Lenders – whereby Aviva agreed to a second-ranking security relative to the Senior Secured Lenders' first-ranking security – are consistent with such an outcome;

(ii) the potential exposure to Aviva is a consequence of the commitments that Aviva made in connection with the Tarion Bond and the Excess Deposit Insurance for which it was paid premiums, including since the commencement of the Receivership Proceedings. Aviva is a sophisticated party that agreed to insure against a specific risk, which will be the risk that occurs if the CSA Plan is implemented; and

(iii) changing the CSA Plan to attempt to limit Aviva's exposure would effectively reduce the value of the Project to the Senior Secured Lenders' detriment. Preferring Aviva's interest in avoiding payments under the Tarion Bond and the Excess Deposit Insurance over the Senior Secured Lenders' interest in maximizing their recoveries from the Project is not appropriate, especially because Aviva is a sophisticated party that agreed to a subordinate security interest.

9.18 The Monitor (and the Receiver, before the Monitor was appointed) has engaged with Aviva and its advisors to explain the basis for the CSA Plan and explore opportunities to mitigate the realization of insurance exposure that the CSA Plan could cause for Aviva.

9.19 The Receiver initially engaged with Aviva approximately one year ago in September 2024, providing a summary of its preliminary analysis with respect to the forecast market values of Units in the Project.

9.20 This preliminary analysis was premised on comparing the price of the Existing CSAs to the estimated fair market values of the Units provided in the 2023 Urbanation Report and the Milborne CMA (both price lists were provided to Aviva in March 2024).

9.21 More recently, the Monitor and the CRO met with Aviva and its advisors on several occasions in the month prior to the issuance of the disclaimer notices in respect of the Disclaimed CSAs to share more details about the proposed CSA Plan and the basis for concluding that the CSA Plan was the best option available to the Companies to maximize the value of the Project. The Monitor provided considerable information to Aviva in response to its requests as part of these discussions.

9.22 Aviva has not presented any alternative plan that could maximize the value of the Project without causing Aviva to realize its insurance exposure. The Monitor does not believe that any such alternative plan exists, because the insurance exposure to Aviva is driven by the economics of the Project and the commitments that Aviva made before these insolvency proceedings began.

9.23 Having taken into account the various impacts of the proposed CSA Plan and the CSA Plan Reconfiguration on stakeholders, the Monitor is of the view that the steps contemplated to be taken by the Companies are fair and reasonable, will maximize the value of the Project, and will enhance the funds available for recovery in these CCAA Proceedings.

10.0 DEPOSIT RETURN PROTOCOL

10.1 The disclaimers of the Disclaimed CSAs are contemplated to be effective on November 23, 2025. As described above, Unit Purchasers under Disclaimed CSAs have paid deposits in connection with their respective Disclaimed CSAs in the total approximate amount of $87.5 million, which deposits (plus applicable interest) are understood to be fully protected by the Tarion Bond and the Excess Deposit Insurance.

10.2 In anticipation of the disclaimer of the Disclaimed CSAs, the Companies, through the CRO, and the Monitor have developed the Deposit Return Protocol in consultation with Aviva and Tarion. The Deposit Return Protocol is intended to facilitate the return of deposits to Unit Purchasers of Disclaimed CSAs in a fair and efficient manner.

10.3 The terms of the Deposit Return Protocol are substantially similar to the terms of other deposit return protocols approved by the Court in similar circumstances. Certain key terms of the Deposit Return Protocol are set out below, but reference should be made to the Deposit Return Protocol for its complete terms:

(i) Returned Deposits. The deposits to be returned to the relevant Unit Purchasers in accordance with the proposed Deposit Return Protocol are comprised of: (a) the principal amount of all deposits paid by the Unit Purchasers pursuant to their respective Disclaimed CSA; and (b) any accrued interest that the Unit Purchasers are legally entitled to receive pursuant to the *Condominium Act, 1998* (Ontario).

(ii) Notice to Unit Purchasers. As soon as reasonably practicable following the issuance of the proposed CSA Plan Approval Order, Aviva's authorized agent, MNP Ltd., shall send letters to applicable Unit Purchasers: (a) notifying them that the Court

has approved the Deposit Return Protocol; (b) attaching a Release and Termination Agreement substantially in the form appended to the Deposit Return Protocol; and (c) providing a link to a website containing information and instructions on the filing of claims pursuant to the Deposit Return Protocol.

(iii) Information to be Provided by Unit Purchasers. All Unit Purchasers under Disclaimed CSAs wishing to receive back their deposits must upload the following to Aviva's agent's website, as further detailed in the Deposit Return Protocol: (a) an executed Release and Termination Agreement; (b) a clear copy of the Unit Purchaser's valid, government-issued photo identification; (c) a clear copy of the first page(s) of the applicable Disclaimed CSA; (d) a clear copy of any amendment(s) or assignment(s) of the applicable Disclaimed CSA; and (e) confirmation of the principal amount of the deposits paid/to be returned to the Unit Purchaser, and a mailing address for the return of such deposits.

(iv) Aviva Briefs and Tarion Confirmation. Aviva or its authorized agent will assemble an electronic brief in respect of each of the Disclaimed CSAs and will send the completed briefs to Tarion on a monthly basis. Upon receipt of the briefs, Tarion shall, within ten (10) business days: (a) confirm to Aviva or its authorized agent that the documentation in the applicable briefs is complete and Aviva's liability under the Tarion Bond will be extinguished once the relevant deposit amounts are released (the "**Tarion Confirmation**"); or, alternatively, (b) identify any deficiencies in such briefs to Aviva, whereupon Aviva and Tarion shall confer in good faith to address and resolve such deficiencies on timely basis such that Tarion can provide the Tarion Confirmation.

(v) Release of Deposits. Upon receipt of the Tarion Confirmation, Aviva or its authorized agent will release the corresponding deposits to the applicable Unit Purchasers within ten (10) business days of receipt of the Tarion Confirmation by issuing refund cheques in the names of the applicable Unit Purchasers (or by another reasonable payment method acceptable to Aviva as any Purchaser may request to Aviva or its authorized agent in writing).

10.4 The Monitor is of the view that the process set out in the proposed Deposit Return Protocol provides a fair, transparent and efficient mechanism for returning deposits to Unit Purchasers under Disclaimed CSAs, while also minimizing the administrative burden on all parties involved, including Unit Purchasers, Aviva and Tarion.

11.0 CASH FLOW RESULTS RELATIVE TO FORECAST

11.1 Construction of the Project remains ongoing and continues to be funded through the DIP Credit Agreement. 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**").

11.2 Actual receipts and disbursements for the three-month period from July 1, 2025 to September 30, 2025 (the "**Reporting Period**"), as compared to the cash flow forecast attached as Appendix "D" to the First Report, are summarized in the following table:

Cash Flow Variance Report **Cumulative 3-Month Period Ended September 30, 2025**			
(CA $000's, Unaudited)	**Actual**	**Forecast**	**Variance**
Total Receipts	**$ 968**	**$ 5,477**	**$ (4,509)**
Disbursements:			
Construction Costs	(20,081)	(26,962)	6,881
Design Related Costs	(798)	(1,867)	1,068
Project & Sales Management	(1,323)	(1,370)	47
General, Administrative & Other	(340)	(488)	148
Land & Development Costs	(1,960)	(2,886)	926
Professional Fees	(2,510)	(3,031)	521
Total Disbursements	**$ (27,012)**	**$(36,604)**	**$ 9,592**
Net Cash Flow	**$ (26,044)**	**$(31,127)**	**$ 5,082**
Project Accounts:			
Opening Cash	59,524	59,524	-
Net Cash Flow	(26,044)	(31,127)	5,082
DIP Facility Advances	13,000	18,000	(5,000)
Ending Cash Balance (Project Accounts)	**$ 46,479**	**$ 46,397**	**$ 82**

11.3 During the Reporting Period:

(i) the negative variance in receipts of approximately $4.5 million is due to a timing delay in the receipt of HST refunds and is expected to reverse in the coming months; and

(ii) the positive variance in disbursements of approximately $9.6 million is primarily due to the conservative assumptions used in timing of the forecasted construction payments in the development of the Updated Cash Flow Forecast (as defined in the First Report). Accordingly, these variances are considered to be timing variances and are expected to reverse in future periods.

11.4 As at September 30, 2025, the Companies' cash balance was approximately $46.5 million, comprised of: (i) approximately $33.0 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 $13.1 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**").

11.5 In addition to the funds held in the Project Accounts, an additional $20.6 million is held in the holdback accounts as at September 30, 2025, representing the Project Holdback (as defined in the First Report).

11.6 As at September 30, 2025, $46.6 million (inclusive of accrued interest) has been drawn under the DIP Facility to fund ongoing costs of the Project and the costs of the CCAA Proceedings.

11.7 As projected under the Updated Cash Flow Forecast, 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 Stay Period.

12.0 UPDATES SINCE THE DATE OF THE FIRST REPORT

Construction Update

12.1 Construction of the Residential Component has continued uninterrupted since the Receivership Date, including since the commencement of the CCAA Proceedings, with funding provided by the Senior Secured Lenders.

12.2 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.

12.3 As of the date of this Second Report, the forming of the Project's structural slabs is fully complete through level 85. Since the Receivership Date, 61 floors of curtainwall have been installed, and the curtainwall is now completed through to level 72.

12.4 The remaining structural elements, which include installation of the structural steel, tuned mass damper, and building envelope, continue 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 end of Fall 2026.

12.5 Interior finishing works within the residential suites are progressing at an accelerated pace. Drywall installation has been completed through level 21, with levels 22 to 24 currently in progress as of October 24, 2025. Procurement of kitchen appliances, floor levelling services, finish carpentry, and other interior finish scopes of work are in process as of the date of this Second Report, and is expected to progress over the coming months.

13.0 ACTIVITIES OF THE MONITOR

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

(i) on behalf of the Companies, facilitating the release of the Cult Lien Security in accordance with the terms of the Stay Extension Order;

(ii) facilitating the engagement by the Companies of a reputable real estate broker to assist in identifying a tenant for the Retail Component;

(iii) coordinating the uploading on the Case Website of all Court-filed materials in connection with these CCAA Proceedings;

(iv) together with Tridel and the Hotel Advisor, participating in meetings and discussions with various hotel operators involved in the Hotel Process;

(v) monitoring and responding to stakeholder and other inquiries made via the Monitor's email account and telephone hotline for these CCAA Proceedings;

(vi) 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;

(vii) together with Tridel, attending site meetings and participating in discussions and meetings with key trades, consultants and suppliers engaged on the Project;

(viii) communicating with the CRO in respect of monthly accounting services for the Project and other ongoing matters related to the Project and its advancement;

(ix) communicating with Westmount Guarantee Services Inc., Aviva, Aviva's legal counsel and Aviva's financial advisor, regarding matters related to the Deposit Return Protocol and the CSA Plan;

(x) 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;

(xi) 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;

(xii) 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;

(xiii) together with Tridel, the CRO, and/or the Monitor's legal counsel, attending to various development, municipal and real property tax matters relating to the Project;

(xiv) communicating with the HCRA about the CCAA Proceedings and the Project generally;

(xv) together with its legal counsel, continuing to advance certain litigation matters and disputes, including matters involving current and former contractors and subcontractors engaged on the Project, including those who have filed Lien Notices pursuant to the Lien Regularization Order;

(xvi) communicating with Tarion in respect of the CSA Plan, the CSA Plan Reconfiguration, the Deposit Return Protocol, warranty requirements, and certain other Project related matters;

(xvii) on behalf of the Companies, issuing a communication letter and disclaimer notice to Unit Purchasers under the Disclaimed CSAs on October 24, 2025;

(xviii) continuing to respond to inquiries from Unit Purchasers, including in connection with the Deposit Return Protocol and disclaimer notices; and

(xix) with the assistance of its legal counsel, preparing this Second Report.

14.0 CONCLUSIONS AND RECOMMENDATIONS

14.1 For the reasons set out in this Second Report, the Monitor is of the view that the relief requested by the Companies in the proposed CSA Plan Approval Order is appropriate, and respectfully requests that the Court grant the relief sought.

14.2 All of which is respectfully submitted to this Court this 3rd day of November, 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

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 sub-paragraph 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

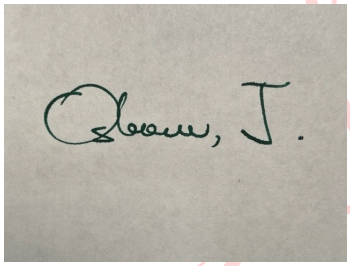
forth in paragraphs 38 and 40 hereof, with respect to any fees, expenses and disbursements incurred, or advances made, as applicable, until the date that this Order may be amended, varied or stayed.

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.



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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

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.

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

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

INITIAL ORDER

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Brendan O'Neill LSO# 43331J
boneill@goodmans.ca

Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca

Jennifer Linde LSO# 86996A
jlinde@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

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

APPENDIX "B"
JOINT REPORT

Court File No. CV-23-00707839-00CL
Court File No. CV-25-00740512-00CL

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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Appendix "E"	–	Unaudited Financial Statements of the Companies for the year ended December 31, 2023
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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	• Parties: The Owner, TBI, Deltera Inc. (the "**Project Manager**"), Deltera Construction Limited (the "**Construction Manager**"), and Del Realty Incorporated (the "**Sales Manager**"). • Purpose: 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**")	• Parties: The Owner and the Project Manager. • Purpose: 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. • Trademarks Licence: 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**")	• Parties: The Owner and the Construction Manager. • Purpose: 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. • The key provisions of the CMA are summarized in **Appendix "C-3"**
Residential Sales Agreement (the "**RSA**")	• 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	• 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	• 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	• 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)	
	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. • 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	• 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 Units[3] 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 SISP;

(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 SISP. 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:

<table>
<tr><th colspan="5">Overview of Current and Proposed Charges</th></tr>
<tr><th>Receivership Proceedings</th><th>Ranking</th><th>CCAA Proceedings</th><th>Ranking</th><th>Property Secured</th></tr>
<tr><td>Receiver's Charge</td><td>First</td><td>Receiver's Charge and Administration Charge, pari passu</td><td>First</td><td rowspan="3">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).</td></tr>
<tr><td>Receiver's Borrowings Charge</td><td>Second</td><td>Receiver's Borrowings Charge and DIP Lender's Charge, pari passu</td><td>Second</td></tr>
<tr><td>–</td><td>–</td><td>Tridel Charge</td><td>Third</td></tr>
<tr><td>RBC Charge</td><td>First
(Only on RBC Collateral Account and RBC Collateral)</td><td>RBC Charge</td><td>First
(Only on RBC Collateral Account and RBC Collateral)</td><td>RBC Collateral Account and RBC Collateral</td></tr>
<tr><td>Lien Charge</td><td>Subordinate to all other priority charges
(Priority is otherwise as contemplated under the Construction Act (Ontario) and applicable federal law)</td><td>Lien Charge</td><td>Subordinate to all other priority charges
(Priority is otherwise as contemplated under the Construction Act (Ontario) and applicable federal law)</td><td>Any security granted in respect of a Lien Claim under the Construction Act (Ontario)</td></tr>
</table>

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	• 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	• 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	• The Credit Facility will only be used for the following purposes: (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	• The Credit Facility shall be made available in multiple advances (each a "**Financing Advance**").
Interest	• 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)	
	• 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	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: • 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	• 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: (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	• 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	• 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	• 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	• 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**
Disbursements:	
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	**($92,757)**
Construction Account	
Opening Cash	63,708
Net Cash Flow	(92,757)
DIP Facility Advances	85,000
Ending Cash Balance (Construction Account)	**$ 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 Claims[9] 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**
Disbursements:	
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	**($220,254)**
Construction Account	
Opening Cash	31,148
Net Cash Flow	(220,254)
RFCA Advances	252,814
Ending Cash Balance (Construction Account)	**$ 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"
RECEIVER'S SECOND REPORT

Court File No. CV-23-00707839-00CL

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

SECOND REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.

MAY 28, 2024

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APPENDICES

1.0 INTRODUCTION

1.1 On October 18, 2023 (the "**Appointment Date**"), pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), Alvarez & Marsal Canada Inc. 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 Beneficial Owner and the Nominee, the "**Debtors**") 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 ("**One Bloor**").

1.2 In connection with the Receiver's motion heard on March 7, 2024, the Receiver prepared and filed with the Court, the First Report of the Receiver dated February 26, 2024 (the "**First Report**"), attached without appendices as **Appendix "A"**, and the Supplemental Report to the First Report of the Receiver dated March 6, 2024 (the "**Supplemental Report**"), attached as **Appendix "B"**.

1.3 The First Report described, among other things, the Receiver's activities since the Appointment Date, including the Receiver's decision to disclaim the Construction Management Agreement and the GC Agreement (each as defined in the First Report) entered into with Mizrahi Inc. ("**MI**", or the "**Former Developer**") with the consent of KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530

(the "**RFCA Lender**"), and to engage SKYGRiD Construction Inc. ("**Skygrid**", or the "**Construction Manager**") as the new construction manager of the Project, effective March 13, 2024 (the "**Effective Date**").

1.4 The First Report also provided information regarding the relief sought by the Receiver pursuant to the Construction Continuance and Ancillary Relief Order (the "**Construction Continuance Order**") and the Lien Regularization Order (the "**Lien Regularization Order**"), both as described below.

1.5 The Supplemental Report provided an update and additional information regarding the status of the transition of the Project from the Former Developer to the Construction Manager, as well as an overview of the Receiver's position with respect to a Notice of Motion served on February 26, 2024 by MI (the "**MI Payment Motion**") seeking to compel the payment by the Receiver of the amounts specified therein and certain other unspecified amounts.

1.6 On March 7, 2024, the Court granted:

(i) the Construction Continuance Order which, as described in the First Report, was designed to promote a smooth transition of construction management from the Former Developer to the Construction Manager and the ongoing construction of the Project by, among other things, delineating the respective obligations and liabilities of the Former Developer and the Construction Manager towards the contractors, subcontractors and other suppliers required to continue supplying goods and/or services to the Project pursuant to the Receivership Order; and

(ii) the Lien Regularization Order which, as outlined in the First Report, established a Court-supervised streamlined process, administered by the Receiver, to replace the various technical requirements under the *Construction Act*, R.S.O. 1990, c. C.30, as amended (the "**Provincial Lien Legislation**") for claiming, preserving and perfecting a lien claim under the Provincial Lien Legislation (a "**Lien Claim**") by providing, among other things, that any person wishing to assert a Lien Claim against the Project (an "**Asserting Lien Claimant**") shall do so by delivering a lien notice to the Receiver (a "**Lien Notice**") in accordance with the Lien Regularization Order, following which such Asserting Lien Claimant shall be deemed to have preserved and perfected its Lien Claim and will be granted a lien charge against the Project equivalent to, and only to the extent of, any security that would be granted in respect of a Lien Claim under the Provincial Lien Legislation.

1.7 Additional details regarding the Debtors and the Project, including an overview of the circumstances leading to the appointment of the Receiver, is contained in the application record dated October 17, 2023 of the Debtors' pre-filing senior secured lenders, KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 301 and of IGIS Global Private Placement Real Estate Fund No. 434 (collectively, the "**Applicant**" and, together with the RFCA Lender, the "**Senior Secured Lenders**"), which includes the affidavit of Joo Sung Yoon sworn October 17, 2023 (the "**Yoon Affidavit**"). The Yoon Affidavit, the First Report (with appendices), the Supplemental Report and other Court-filed documents and notices in these receivership proceedings (the "**Receivership Proceedings**") can be found on the Receiver's case website at: www.alvarezandmarsal.com/theone (the "**Case Website**").

2.0 PURPOSE OF THIS REPORT

2.1 This purpose of this Second Report (the "**Second Report**") is to:

(i) provide an update on the status of construction of the Project and on the transition of construction management to Skygrid;

(ii) provide a summary of the key terms of the proposed sale and investment solicitation process (the "**SISP**") and the relief sought by the Receiver pursuant to the proposed Order (Approval of SISP) (the "**SISP Approval Order**");

(iii) provide an overview of the relief sought by the Receiver pursuant to the proposed Order (Reconfiguration and Letters of Credit Arrangement) (the "**Reconfiguration and LC Arrangement Order**") which seeks the approval of, among other things: (a) the Reconfiguration Plan (as defined below) and the implementation thereof by the Receiver; and (b) the replacement of existing letters of credit in respect of certain municipal requirements and the provision of an additional letter of credit in respect of the City Indemnity (as defined below) and related security arrangements to be established by the Receiver;

(iv) provide an overview of the relief sought by the Receiver pursuant to the proposed Order (Holdback Release) (the "**Holdback Release Order**"), including, among other things, authorization for the Receiver to pay the Holdback Amount (as defined below) on behalf of the Nominee to various subcontractors in such amounts as specified in the Holdback Schedule (as defined below), subject to satisfaction or

waiver of the Holdback Release Conditions (as defined below) as determined by the Receiver in its sole discretion;

(v) provide an update on matters related to the MI Payment Motion;

(vi) provide information regarding the Debtors' receipts and disbursements since the Appointment Date;

(vii) provide information regarding the Updated Cash Flow Forecast (as defined below);

(viii) describe the Receiver's activities since the date of the First Report; and

(ix) provide an overview of the Receiver's conclusions and recommendations in respect of the foregoing.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Second Report, the Receiver has obtained and relied upon unaudited financial information, books and records, and other documents of the Debtors, and has held discussions with, and been provided with certain additional information from, management and employees of MI, Coco International Inc. ("**Coco**"), and Skygrid (collectively, the "**Information**").

3.2 The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver 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*, and accordingly,

the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.

3.3 Future-oriented financial information referred to in this Second 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 will vary from the projections. Even if the assumptions materialize, the variations in such future-oriented financial information could be significant.

3.4 This Second Report has been prepared to provide general information regarding these Receivership Proceedings and to provide the Court with further information regarding the relief sought in the Receiver's motion returnable June 6, 2024 (the "**Receiver's Motion**"). Accordingly, the reader is cautioned that this Second Report is not appropriate for any other purpose, and that the Receiver will not assume any responsibility or liability for any losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report.

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

4.0 STATUS OF CONSTRUCTION

4.1 As originally designed, the Project, when fully constructed, is intended to be comprised of:

(i) a commercial component (the "**Commercial Component**") occupying four underground parking levels and 16 aboveground levels comprised of the ground

floor and concourse retail spaces, food and beverage ("**F&B**") spaces on levels three and four, and a premium hotel space on levels five through 16; and

(ii) a residential component (the "**Residential Component**") occupying levels 17 through 84, with an outdoor amenity space for the exclusive use of the penthouse residents (commonly referred to as a "Wintergarden") on level 85.

4.2 As of the Appointment Date, the construction of the Commercial Component's structure was well advanced. Accordingly, since the Appointment Date, the Receiver's focus has been primarily on advancing and overseeing the construction of the Residential Component, which has progressed significantly. The current status of each of the Commercial Component and the Residential Component is described below.

Commercial Component

4.3 The Project's parking facility (residential and non-residential) is included in the Commercial Component of the Project and is comprised of four levels of stacked underground parking for approximately 296 cars.

4.4 The retail area of the Project includes: (i) approximately 9,365 square feet of premium retail space on the ground floor and approximately 7,000 square feet of additional retail and storage space on the concourse; and (ii) approximately 37,000 square feet of F&B space on levels three and four, with a small F&B space contemplated on the ground level.

4.5 Level five, a portion of level six, and levels seven through sixteen of the Project have been designed to accommodate a premium hotel, including a lobby, amenities (outdoor pool, gym and other facilities) and approximately 138 hotel suites.

4.6 An overview of the current status of construction of the Commercial Component is as follows:

(i) the construction of the parking facility is effectively complete, save for final finishes and certain final installations to make the facility operable, including finishing the elevator lobbies;

(ii) the concrete structure, core, and curtainwall (the building façade) of the retail, F&B and hotel levels are complete;

(iii) the mechanical, electrical and plumbing distribution is completed in the common areas of the Commercial Component; and

(iv) the commencement of work with respect to layout, framing, drywall and finishing, as well as furniture, fixtures and equipment remains outstanding.

Residential Component

4.7 The Residential Component includes low-rise, mid-rise, high-rise, and penthouse condominium suites on 60 levels, as well as 8 levels of storage and mechanical equipment, and the Wintergarden area on level 85.

4.8 An overview of the current status of construction of the Residential Component is as follows:

(i) the concrete structure and core of the Residential Component is complete through level 57, with concrete pouring for level 58 currently in preparation;

(ii) the curtainwall is complete through level 24, with levels 25 and 26 currently being installed;

(iii) standpipe for the fire suppression system is currently installed to level 57, standpipe for water service is installed to level 50, and in-suite distribution piping is partially installed to level 36;

(iv) gas service to the suites is installed up to level 35;

(v) HVAC distribution from the mechanical rooms to the residential suites is complete up to level 37; and

(vi) electrical main services are on-line up to level 18, with electrical main services installed up to level 50 (not yet on-line).

4.9 Since commencing its engagement as Construction Manager, Skygrid has continued to advance the Project under the supervision of the Receiver with a focus on completing the Project as a premium luxury building. To that end, Skygrid has developed and implemented numerous improvements to the construction management of the Project, including with respect to reporting, project management controls, and trade and supplier management.

5.0 UPDATE ON THE TRANSITION OF CONSTRUCTION MANAGEMENT

5.1 Pursuant to a disclaimer notice (the "**Disclaimer Notice**") delivered by the Receiver to the Former Developer on February 26, 2024, the GC Agreement and the Construction Management Agreement were disclaimed effective as of the Effective Date. Also on February 26, 2024, the Receiver entered into an engagement letter with Skygrid (the

"**Skygrid Engagement Letter**") pursuant to which Skygrid took over as Construction Manager on the Effective Date.

5.2 During the period between the date of the Disclaimer Notice and the Effective Date (the "**Transition Period**"), the Receiver, Knightsbridge Development Corporation ("**KDC**"), the Receiver's project manager, and Skygrid worked with the Former Developer to ensure the ongoing stability of the Project on a go-forward basis, and to assist Skygrid as it prepared to commence its role as Construction Manager.

5.3 During the Transition Period, construction of the Project continued as scheduled with no material disruptions, and trades, suppliers and Project Employees (as defined below) worked cooperatively with Skygrid and were generally supportive of the transition, resulting in a smooth and successful transition to Skygrid as Construction Manager.

5.4 Transition-related activities undertaken by the Receiver up to the date of the Supplemental Report are described therein. Those undertaken since the date of the Supplemental Report have included:

(i) with the assistance of KDC, continuing to work with Skygrid to provide Project-related information, and assisting Skygrid in completing its transition-related tasks and achieving its related goals;

(ii) assisting Skygrid with gaining access to the construction management software system used by MI for the purposes of backing-up of Project data and migrating to the software system used by Skygrid;

(iii) publishing a notice of the Lien Regularization Order on March 21, 2024 in the *Daily Commercial News*;

(iv) contacting trades and consultants to notify them of the construction management transition, changes in invoicing arrangements, the establishment of an accounting cut-off as of the Effective Date, and responding to inquiries with respect to the transition;

(v) arranging for the preparation of a report from the Senior Secured Lenders' cost consultant, Finnegan Marshall Inc. ("**Finnegan Marshall**"), to capture total costs incurred by MI prior to the Effective Date, and developing a process for Finnegan Marshall to provide payment certificates for all construction draws going forward;

(vi) as authorized by the Construction Continuance Order, making payments directly to contractors, subcontractors and trade suppliers in the normal course for their work on the Project (excluding certain invoices submitted by MI, which are discussed further below);

(vii) assisting Skygrid in sourcing an alternative and more cost-effective location for the Project's site office (the "**Site Office**"), which is currently located in a space leased by MI at 2 Bloor Street West;

(viii) arranging for the installation of new security cameras at the Site Office, securing the sales centre office and the hotel "mock-up" site previously maintained by MI, ensuring the return of keys and key cards from MI employees, and changing alarm codes in respect of same;

(ix) together with Skygrid, KDC, and the Project's façade engineers, attending the Vietnam production facility of the curtainwall supplier to the Project during the week of March 11, 2024, to develop and enhance working relationships, and discuss production workflow, contract status, warranty status, the production schedule, and enhanced quality control plans;

(x) together with KDC, assisting Skygrid and Finnegan Marshall in the preparation of the revised Project construction schedule (the "**Schedule**"), anticipated cost to complete (the "**Cost to Complete**"), procurement schedule, and the related budget (the "**Budget**"), each provided to the Receiver, in draft form, in May 2024;

(xi) communicating with MI to request all books and records related to the Project, working with the Receiver's legal counsel in respect of same, and meeting with and communicating with MI's legal counsel regarding the portion of such records not provided by MI, which the Receiver anticipates will be the subject of a motion to be brought against MI to compel the production of certain records, as described further below;

(xii) assisting Skygrid in the transition of 14 former MI employees who were fully dedicated to the Project (the "**Project Employees**") and who were offered and accepted employment with Skygrid (representing 56% of the total number of MI employees who were previously dedicated to the Project);

(xiii) attending the meeting held by Skygrid to onboard transitioned Project Employees;

(xiv) attending calls with the Debtors' insurance advisors to arrange for the addition of Skygrid to certain insurance policies, update information where required, and address any other transition-related insurance matters;

(xv) confirming the transfer of the Notice of Project from the Ministry of Labour from the Former Developer to Skygrid;

(xvi) communicating with Tarion Warranty Corporation ("**Tarion**") through its legal counsel regarding matters related to warranty, bonding and deposit insurance in connection with the transition of construction management of the Project to Skygrid;

(xvii) communicating with the Home Construction Regulatory Authority ("**HCRA**") to advise of Skygrid's engagement and of the transition of construction management generally; and

(xviii) pro-actively communicating with and responding to inquiries from trades, consultants, suppliers and other stakeholders, including purchasers of condominium units (each a "**Unit**") in the Project (each a "**Unit Purchaser**") and the City of Toronto, regarding transition matters.

5.5 As noted above and further discussed in the First Report, KDC and the Receiver identified a number of deficiencies in the construction management practices of the Former Developer. Skygrid has implemented improved construction management practices, including with respect to procurement processes, scheduling and general construction management strategy.

CCDC 5B Contract

5.6 As contemplated by the Skygrid Engagement Letter, following the Effective Date, the Receiver and Skygrid began negotiating a definitive CCDC 5B 2010 Construction Management Contract – for Services and Construction, with mutually agreed upon Supplementary Conditions (the "**CCDC 5B Contract**"), to govern Skygrid's engagement as Construction Manager.

5.7 To facilitate continuing negotiations, the deadline to execute the CCDC 5B Contract contemplated in the Skygrid Engagement Letter was mutually extended by the Receiver and Skygrid. As of the date of this Second Report, the CCDC 5B Contract is substantially complete and the Receiver anticipates executing same prior to the return date of the Receiver's Motion.

Unremitted Supplier Invoices

5.8 As described in the Supplemental Report, the Receiver became aware of certain vendor invoices that were funded to the Debtors through loan advances from the Applicant prior to the Appointment Date and paid to MI in the normal course, but which were not paid on to the respective vendor by MI. Accordingly, during the Transition Period, the Receiver sent communications to trades, consultants and suppliers of the Project to request that they provide the Receiver with a statement of account so that the Receiver could reconcile any unpaid amounts.

5.9 Through this reconciliation, the Receiver identified invoices totalling approximately $1 million related to goods and/or services provided to the Project during the period from

February 2023 to February 2024 that had been funded for payment, but were not paid by MI and remained outstanding.

5.10 In addition, on March 27, 2024, a Lien Notice was delivered to the Receiver by Proline Hardware Ltd. ("**Proline**") regarding a Lien Claim in the amount of approximately $70,000, of which approximately $49,000 related to invoices previously funded to MI for payment, with the remainder relating to Proline's February invoice which was not yet due to be paid in the normal course.

5.11 In light of the reconciliation issues identified by the Receiver and the receipt of the Proline Lien Notice, the Receiver withheld payment of invoices totalling approximately $995,000 that were submitted by MI related to its February 2024 services and fees until the Receiver had completed its reconciliation and the Proline Lien Notice had been withdrawn.

5.12 Following discussions among the Receiver and MI regarding the outstanding invoices, the entirety of the outstanding balance, including the amount of Proline's Lien Claim, was paid to the applicable suppliers, including approximately $975,000 paid directly by the Receiver. MI and the Receiver agreed that the amounts paid by the Receiver would be set-off against MI's February invoices.

5.13 The Lien Notice filed by Proline was irrevocably withdrawn on April 19, 2024, and on May 3, 2024, the Receiver remitted payment to MI of approximately $20,000 in respect of MI's February 2024 invoices not otherwise satisfied by direct vendor payments made by the Receiver.

Transition of Trade and Supplier Contracts and Proposed Holdback Release

5.14 As described in the First Report, prior to the transition of construction management to Skygrid, many of the subcontractors and other suppliers working on the Project had a contractual relationship with MI, and not the Debtors. Accordingly, since the Effective Date, Skygrid has been meeting with trades and suppliers to transition their contracts with MI to new subcontracts with Skygrid, and in the process has been addressing gaps in scopes of work, as well as negotiating improved and/or industry standard terms.[1] The Receiver and Skygrid have been advised that certain subcontractors are requiring that their proportional entitlement to the Holdback Amount be released as a condition to entering into a new subcontract with Skygrid.

5.15 The Receiver is aware of 38 subcontractors from whom statutory holdback has been retained in accordance with the Provincial Lien Legislation (the "**Holdback Parties**"). Such holdback, totalling approximately $13.0 million for work performed prior to the Effective Date (the "**Holdback Amount**"), is currently held by the Receiver in segregated holdback bank accounts (the "**Holdback Accounts**").

5.16 Pursuant to the proposed Holdback Release Order, the Receiver is seeking authorization from the Court to pay the Holdback Amount to the respective Holdback Parties to, among other things:

[1] As described in the First Report, as a result of the Former Developer's lack of formalizing fixed price subcontracts, certain subtrades have been working off purchase orders, letters of intent, or on a "time and materials" basis for extended periods of time. Skygrid and the Receiver's efforts to address this issue remain ongoing.

(i) in the case where the individual Holdback Party will continue working on the Project, facilitate a "fresh start" moving forward and assist in facilitating negotiations and the entry into a new subcontract with Skygrid; and

(ii) in the case where the scope of work of a Holdback Party was completed prior to the Effective Date, facilitate the timely and efficient conclusion of such Holdback Party's dealings in relation to the Project.[2]

5.17 The Receiver understands that Skygrid is in the process of inspecting the work of the Holdback Parties for any deficiencies and/or incomplete work. In addition, to reconcile the Holdback Amount, the Receiver has sent notices to or otherwise communicated with each of the Holdback Parties to confirm that the holdback amount in their records agrees with the Debtors' records. As of the date of this Second Report, the Receiver has received confirmation from 35 of 38 vendors who account for approximately 99.7% of the total Holdback Amount. A list of the Holdback Parties and what the Receiver understands are their respective proportional entitlements to the Holdback Amount (the "**Holdback Schedule**") is attached as **Appendix "C"**.

5.18 Prior to the payment of any portion of the Holdback Amount to individual Holdback Parties, the Receiver intends to ensure that the following conditions (the "**Holdback Release Conditions**") are met, which conditions may be waived by the Receiver as determined appropriate, in consultation with the RFCA Lender:

[2] In the case where the scope of work of a Holdback Party has been completed in the period following the Effective Date as determined by the Receiver or is nearing completion and such Holdback Party is not required by the Construction Manager for continued construction on the Project, the Receiver also seeks authorization to release such Holdback Party's proportional entitlement to any post-Effective Date holdback amount.

(i) the associated work has passed the inspection of Skygrid, the Project consultants and, as applicable, municipal authorities;

(ii) the Receiver and the respective Holdback Party have agreed on the Holdback Amount payable to the Holdback Party;

(iii) in the case of a Holdback Party with an ongoing scope of work, that Holdback Party has executed a new subcontract with Skygrid for the remaining scope in a form acceptable to Skygrid and the Receiver, and in the case of a Holdback Party whose services are no longer required on the Project, their scope of work has been fully completed; and

(iv) the Holdback Party has executed the Holdback Release Agreement substantially in the form attached as **Appendix "D"** (the "**Holdback Release Agreement**"), which Holdback Release Agreement shall, among other things: (a) release, among others, the Receiver, the Debtors, the Former Developer and the lenders to the Project from any and all claims related to the underlying subcontract or the Project, including, without limitation, any claims in respect of holdback deficiencies; and (b) confirm that the Debtors and the Receiver and their respective successors and assigns will be entitled to the benefit of any and all warranties provided for the Holdback Party's work, and that any warranty rights may be assigned to any purchaser of all or any part of the Project and/or to any lender with security over all or part of the Project or to any successor or assignee of such lender's interest.

5.19 The Receiver notes that: (i) based on the reconciliation it performed, as described above at paragraph 5.17, as well as its review of the Project's books and records, the Receiver is not

aware of holdback amounts owing to any parties other than the Holdback Parties; (ii) notice of the proposed payment of the Holdback Amount will be provided to all known contractors, subcontractors and suppliers to the Project for which the Receiver has contact information, which includes the Holdback Parties; (iii) aside from MI's Lien Claim[3] (discussed in greater detail below), the only pending Lien Claim pursuant to the Lien Regularization Order relates to the Cult Lien (as defined below), for which a portion of the Holdback Amount will be reserved (and in respect of which monies have been funded into Court to vacate the lien previously filed); and (iv) the Provincial Lien Legislation in force in relation to the Project (i.e., the *Construction Act* as it existed immediately prior to July 1, 2018) contemplates a 45-day period from the earlier of (among other things) the date of last supply or the date a subcontract is certified to be complete within which to register a lien, and it has been significantly more than 45 days since the Effective Date.

5.20 In light of the foregoing, the Receiver respectfully recommends that the Court authorize the Receiver to pay the Holdback Amount to the Holdback Parties in accordance with the Holdback Schedule and grant the other requested relief under the Holdback Release Order. The Receiver believes that the relief requested in the proposed form of Holdback Release Order provides an appropriate mechanism to allow for the release of the Holdback Amount rightfully earned by the Holdback Parties, as they have requested, and at the same time contributes to ensuring the continued and unimpeded construction of the Project, including

[3] The Receiver understands that prior to the receivership, no holdback was taken on MI's general contractor invoices with the result that MI was paid in full for such invoices. Although the Receiver disagreed with this practice, following the Appointment Date, the Receiver agreed to pay the full amount of MI's invoices (to the extent agreed to by the Receiver), including paying the relevant holdback amount from its general construction account. As such, the Receiver is of the view that MI has no entitlement to the Holdback Amount. The Receiver believes any remaining holdback entitlements of MI in respect of the amounts in dispute between the Receiver and MI are encompassed in the MI Payment Dispute Reserve (as defined below).

facilitating Skygrid's engagement of the subcontractors. Further, such relief makes the Project more attractive for the purposes of the SISP by finally resolving matters that predate the Effective Date.

Trade and Consultant Claims

Lien Claims under the Lien Regularization Order

5.21 As of the date of this Second Report, there have been three Lien Notices delivered (or deemed to have been delivered) pursuant to the Lien Regularization Order. The first is the Proline Lien Notice, discussed above, which has been irrevocably withdrawn. The second, which is described further in the First Report, is the Lien Notice deemed to have been delivered by Cult Iron Works Limited ("**Cult Iron**") in respect of its Lien Claim in the amount of $444,669.05 (the "**Cult Lien**"). Prior to the granting of the Lien Regularization Order, the Receiver posted approximately $500,000 of security with the Court in respect of the Cult Lien, and the Cult Lien was vacated from title to One Bloor. The Receiver and its legal counsel are in discussions with Cult Iron and its counsel in an attempt to resolve this Lien Claim. The third Lien Notice, discussed further below, was delivered by MI to the Receiver on April 26, 2024, in respect of a purported Lien Claim in the amount of approximately $11 million.

Fees of Core Architects

5.22 In January 2024, Core Architects Inc. ("**Core**"), the Project's architect, advised the Receiver that it was of the view that it was entitled to a significant increase in its fees for work performed on the Project (the "**Proposed Fee Adjustment**").

5.23 The Receiver and Core are currently engaged in discussions regarding the Proposed Fee Adjustment. The Receiver will determine next steps once it has fully considered the issue, based on: (i) its ongoing discussions with Core; (ii) its own investigation into the Proposed Fee Adjustment; and (iii) substantial consultation with KDC and Finnegan Marshall. During discussions in respect of the Proposed Fee Adjustment, Core's work on the Project has continued in the normal course.

Claim by Seele

5.24 seele GmbH ("**seele**") entered into subcontracts with the Former Developer with respect to the supply of certain specially designed glass elements to the Project in the period prior to the Appointment Date, and is engaged in a dispute with MI relating to its work on the Project that has given rise to an arbitration and a court application. The Receiver is engaging with seele to explore the possibility of a negotiated resolution to seele's claims.

Transition of Letters of Credit

5.25 The Debtors currently have six letters of credit (each, an "**LC**") totalling approximately $2.24 million issued by KEB Hana Bank Canada ("**KEB Hana**"), which are cash collateralized. The LCs support various obligations of the Debtors to the City of Toronto, including in connection with a heritage easement and required improvements to be undertaken related to park areas, streetscaping, storm sewers and tree planting.

5.26 On April 9, 2024, KEB Hana advised the Receiver by email that it would not be renewing each of the LCs as they mature.

5.27 Further, as a condition to the renewal of a temporary street occupation permit for the Project that allows for street closures during concrete pumping operations, the City of Toronto requires that the Debtors provide an indemnity in favour of the City of Toronto (the "**City Indemnity**").[4] Due to an action brought against the Debtors that also named the City of Toronto as a defendant, as well as the current financial position of the Debtors, the City of Toronto is requiring that the City Indemnity be backstopped by an LC in the amount of $1 million.

5.28 The Receiver has been in discussions with Royal Bank of Canada ("**RBC**") who has agreed to replace the existing LCs, as well as to provide a new LC to backstop the City Indemnity (together with any future LCs that may be required to be posted in connection with the Project as requested by the Receiver and agreed to by RBC, the "**Replacement LCs**"), subject to completing customary internal approvals. The current Replacement LCs will total approximately $3.24 million.

5.29 As part of this arrangement, RBC is requiring that: (i) the Receiver fund a GIC account in the name of the Receiver (the "**RBC Collateral Account**") to collateralize the Replacement LCs (the "**RBC Collateral**"); (ii) RBC be permitted to register a financing statement under the *Personal Property Security Act* (Ontario) against A&M over the cash and GICs held in the RBC Collateral Account; and (iii) RBC be granted a charge (the "**RBC Charge**") on the RBC Collateral Account and the RBC Collateral (items (i), (ii) and (iii) collectively forming the "**Letters of Credit Arrangement**"). The proposed

[4] The Indemnity Agreement underlying the City Indemnity has been executed by the Receiver and the City of Toronto, with effect from April 2, 2024.

Reconfiguration and LC Arrangement Order approves the Letters of Credit Arrangement and grants the RBC Charge.

5.30 The Replacement LCs are required to ensure ongoing compliance with municipal requirements and the maintenance of construction permits necessary for the continued construction of the Project. Accordingly, the Receiver respectfully requests that the Court approve the Letters of Credit Arrangement pursuant to the proposed form of Reconfiguration and LC Arrangement Order.

6.0 THE SISP

6.1 The Receiver, its counsel and the proposed Broker (as defined below) have been working to design a SISP that will efficiently and effectively canvass the market for any and all potential forms of value maximizing transactions or investments that may be available and acceptable to the Receiver and the Senior Secured Lenders for the sale of the Project at this time, or alternatively, for go-forward arrangements with developers or others for its construction to completion, and sale of Units and the Commercial Component at a later date once the Project is fully constructed and completed.

6.2 In addition to designing the SISP with these objectives in mind, the Receiver and its advisors, in consultation with the Senior Secured Lenders and their advisors as well as various other Project advisors, have also undertaken a series of significant pre-SISP work streams to ensure that certain core Project-related matters have been developed and advanced to a point that the Project is ready to be marketed at this time in the most value-maximizing manner possible. These endeavours, which are summarized below, have been intentionally developed and advanced *before* launching the SISP so that the Project can be

marketed in a manner that will be most attractive to potentially interested parties, notwithstanding that the Project is still under construction. These pre-SISP undertakings have included the following work streams, among others:

(i) **The Reconfiguration Plan** – as discussed further in Section 7 below, the Receiver and its advisors, in consultation with the Senior Secured Lenders and their advisors, considered, developed and finalized a comprehensive Reconfiguration Plan for the upper floors of the Project (that have yet to be constructed) that will add an additional 88 Units to the Project, and substantial additional net realizable value, which the Receiver believes will be of significant benefit in the context of marketing the Project. This process involved not only developing the Reconfiguration Plan, but also addressing related zoning and planning matters associated with the proposed reconfiguration;

(ii) **Confirming Arrangements with the Construction Manager of the Project** – as discussed above, the Receiver disclaimed the GC Agreement and Construction Management Agreement with the Former Developer, engaged Skygrid as the new Construction Manager of the Project, and has substantially progressed the definitive CCDC 5B Contract such that any potentially interested parties will be able to understand the precise terms of the main construction contract for the Project, which will be a core diligence item for any interested parties;

(iii) **Confirming Arrangements with the Trades for the Project** – as discussed above, the Receiver, its advisors and Skygrid have spent considerable time liaising with subcontractors and trade suppliers engaged on the Project with a view to addressing

outstanding issues in advance of the SISP, such that the contractual arrangements with the trades for the Project may be finalized in the near term. These efforts have included the development of a form of subcontract to be entered into with Skygrid as well as the proposed Holdback Release Order;

(iv) **Revised Budget, Schedule and Cost to Complete** – working with KDC, the Project consultants, Finnegan Marshall and Skygrid, the Receiver has completed a revised draft Budget, Schedule and Cost to Complete, all of which are core diligence items that any interested parties will need to review in order to evaluate the opportunities available in the SISP;

(v) **Selecting an Experienced and Reputable Broker for the SISP** – as discussed below, the Receiver and its advisors, in consultation with the Senior Secured Lenders and their advisors, undertook the RFP Process (as defined below) to select an experienced and reputable real estate brokerage and advisory firm for the SISP and have engaged Jones Lang LaSalle Real Estate Services, Inc. ("**JLL**" or the "**Broker**") for that process. JLL has conducted its diligence, provided input with respect to the design of the SISP, assisted in the development of marketing materials to be used in the SISP, and is now ready to commence the SISP under the supervision of the Receiver once approved by the Court; and

(vi) **Creating the SISP Data Room** – working with JLL, the Receiver has undertaken an extensive review of all Project information and documentation, including contracts, leases, and financial information, and uploaded same to an electronic data room that has been developed and is ready for the SISP launch.

6.3 These key work streams (among others) have required significant work, time and collaboration among the Receiver and various advisors to complete; however, the Receiver believes that completing each of these work streams in advance of launching the SISP was critical to enhancing the Opportunities (as defined below) to be marketed in the SISP.

6.4 In addition to the above matters, construction has continued on the Project and is now nearing a stage at which decisions impacting the Project as a whole, including the go-forward plan in respect of existing condominium sales agreements (each, a "**CSA**") and the existing agreements related to the hotel and retail spaces, as well as the go-forward marketing and branding strategy for the Project, will also need to be addressed.

6.5 Taking all of this together, it is the Receiver's view that now is the appropriate time to market the Project to solicit any and all potential forms of value maximizing transactions or investments that may be available in the market and acceptable to the Receiver and the Senior Secured Lenders for the sale of the Project at this time, or alternatively, for go-forward arrangements with developers or others for its construction to completion, and sale of Units and the Commercial Component at a later date once the Project is fully constructed and completed.

6.6 The SISP will also demonstrate whether there is value in the Project beyond the amounts owed to the Senior Secured Lenders.

6.7 It is the Receiver's view that a broadly marketed and flexible SISP in the form presented is the best way to proceed at this time in order to solicit interest and determine these matters within a reasonable timeframe, and that the timing is now appropriate to commence such a

SISP in light of the now ready state of the Project to be effectively marketed in a value-maximizing manner to any and all interested parties.

6.8 Accordingly, the Receiver is seeking the Court's approval of the proposed SISP which, as described in further detail below, will solicit interest in the opportunity to either:

(i) acquire or invest in the Project (or either of the Residential Component or the Commercial Component) pursuant to one or more sale or investment transactions (a "**Transaction Proposal**") that individually or in the aggregate have a purchase price or investment amount equal to or exceeding $1.2 billion, being the minimum bid threshold required by the Senior Secured Lenders (the "**Minimum Bid Threshold**"); or

(ii) enter into an arrangement with the Senior Secured Lenders to complete the construction, development and realization of value from the Project on terms acceptable to each of the Receiver and the Senior Secured Lenders (a "**Development Proposal**", and together with the Transaction Proposal, the "**Opportunities**" and each an "**Opportunity**").

Broker Selection Process

6.9 As described in the First Report, in anticipation of the proposed SISP, the Receiver commenced a request for proposals process (the "**RFP Process**") and contacted five real estate brokerage and advisory firms (collectively, the "**Potential Brokers**") identified as having the requisite expertise, qualifications and capabilities to assist with the

development, planning and implementation of the SISP. The Potential Brokers were asked to submit a proposal in respect of the contemplated SISP by February 7, 2024.

6.10 Upon execution of a non-disclosure agreement, the Potential Brokers were granted access to an electronic data room populated with certain information relevant to the Project, and the Receiver held meetings with the Potential Brokers to provide additional information and clarification to enable them to better understand the status of the Project and the RFP Process generally. Four of the five Potential Brokers ultimately submitted a proposal to the Receiver.

6.11 After reviewing the Potential Brokers' proposals, the Receiver, in consultation with its legal counsel, the Senior Secured Lenders and their advisors, selected JLL as the third-party broker to assist in the development and implementation of the SISP.

6.12 The Receiver's decision was based on a combination of factors, including: (i) JLL is qualified, experienced and capable of acting as the broker during the SISP; (ii) JLL has substantial experience in residential, hotel and commercial asset disposition, including the marketing and sale of assets through insolvency proceedings; (iii) JLL has a broad and extensive sales network across Canada, the United States and internationally; and (iv) JLL's proposed fee structure for the SISP is reasonable and appropriate.

6.13 The Receiver and JLL initially executed an engagement letter for the broker services on March 22, 2024, which was subsequently amended and restated as of May 25, 2024 (as amended and restated, the "**Broker Agreement**"), attached without Schedule A (RECO Information Guide) as **Appendix "E"**, which Broker Agreement is subject to Court

approval. As described in the Broker Agreement, JLL shall earn a transaction fee in accordance with the following:

(i) for any Third Party Transaction (as defined in the Broker Agreement), a flat fee of $1.9 million (plus HST);

(ii) in the event of a transaction (which may include a transaction implemented pursuant to a Development Proposal or a Transaction Proposal for either of the Commercial Component or Residential Component), whether through a credit bid, other restructuring transaction, distribution order, or otherwise, and whether implemented pursuant to the Receivership Proceedings or an alternative court process, through which the Senior Secured Lenders become owners of the Property, or entitled to the proceeds of disposition thereof (a "**Senior Secured Creditor Transaction**"), a base fee of $550,000 (plus HST), plus an additional amount depending on the type of the transaction, as outlined below:

Transaction Type	Additional Amount
Development Proposal without a Developer Investment	$100,000 (plus HST)
Transaction Proposal for only the Commercial Component	$200,000 (plus HST)
Transaction Proposal for only the Residential Component	$700,000 (plus HST)

(iii) in the event of a Senior Secured Creditor Transaction with a Developer Investment (as defined in the Broker Agreement), the transaction fee shall be calculated in accordance with the following table (plus HST):

Developer Investment	Transaction Fee
Below $100 million	$800,000
Above $100 million to and including $200 million	$875,000
Above $200 million to and including $300 million	$950,000
Above $300 million to and including $400 million	$1,025,000
Above $400 million to and including $500 million	$1,100,000
Above $500 million to and including $600 million	$1,175,000
Above $600 million to and including $700 million	$1,250,000
Above $700 million to and including $800 million	$1,325,000
Above $800 million to and including $900 million	$1,400,000
Above $900 million to and including $1 billion	$1,475,000
Above $1 billion to and including $1.1 billion	$1,550,000
Above $1.1 billion	$1,900,000

6.14 Pursuant to the proposed SISP Approval Order, the Receiver is seeking approval of the Broker Agreement and the retention of JLL under the terms thereof, as well as authorization to make the payments contemplated under the Broker Agreement when earned and payable in accordance with the terms and conditions of the Broker Agreement. The Receiver believes that such relief is appropriate in the circumstances, and that JLL's fee structure is reasonable and in line with the Receiver's overarching objective of efficiently soliciting all potential forms of interest in the Project through the SISP. The relief sought will also provide the requisite comfort to JLL that any transaction fee it earns will be paid.

Lender Participation

6.15 As of March 31, 2024, the Senior Secured Lenders (which, for the avoidance of doubt, include the RFCA Lender) are owed approximately $1.5 billion (the "**Senior Secured Lender Claims**") on a combined basis under the credit agreement dated August 30, 2019 (as amended, the "**Credit Agreement**") and the Receivership Funding Credit Agreement dated October 18, 2023 (the "**RFCA**").

6.16 The components of the Senior Secured Lender Claims as at March 31, 2024 are summarized in the following table:

Senior Secured Lender Claims	***(in $millions)***
Advances under the RFCA	$144.1
Accrued interest and fees under the RFCA	$9.0
Advances under the Credit Agreement (pre-receivership)	$731.3
Pre-funded interest under the Credit Agreement (pre-receivership)	$193.4
Accrued interest, applicable margin, and other fees and costs related to the Credit Agreement	$401.2
Total Senior Secured Lender Claims	**$1,479.0**

6.17 The Receiver's legal counsel, Goodmans LLP ("**Goodmans**"), has conducted a review of the loan and security documentation relating to the Credit Agreement and has provided an Ontario law security review opinion to the Receiver which concludes that, subject to customary assumptions and qualifications: (i) the security documentation relating to the Credit Agreement creates validly perfected security interests in favour of KEB Hana, in its capacity as administrative agent under the Credit Agreement (the "**Administrative Agent**") for and on behalf of the Applicant (together with the Administrative Agent, the "**Secured Parties**"), in the collateral specified in the security documentation to which the *Personal Property Security Act* (Ontario) applies and which is charged under the security documentation; and (ii) the charges registered against title to One Bloor in favour of the Secured Parties create a good and valid fixed charge over One Bloor.

6.18 The Senior Secured Lenders have advised the Receiver that they will not support any Transaction Proposal, or a combination of Transaction Proposals, with a purchase price (or

combined purchase price) of less than the Minimum Bid Threshold, being approximately 80% of the Senior Secured Lender Claims.

6.19 The Senior Secured Lenders have also advised the Receiver that, in the event that there are no Successful Bid(s) (as defined below) and the SISP is terminated, the Senior Secured Lenders are committed to facilitating the continued construction of the Project to completion through a Senior Secured Creditor Transaction. In such circumstances, upon completion of the Project, the Senior Secured Lenders expect to achieve recoveries through, among other things, sales of Units and realizations from the fully developed Commercial Component.

6.20 As noted above, the proposed SISP contemplates that interested developers may submit a Development Proposal pursuant to the SISP. Accordingly, in the event that no Successful Bid(s) for a Third Party Transaction are identified in the SISP and a Senior Secured Creditor Transaction is ultimately pursued, developers interested in assisting the Senior Secured Lenders with such a transaction will have been canvassed, allowing any Senior Secured Creditor Transaction to proceed on a timely basis in conjunction with a selected developer. The Receiver is aware that the Senior Secured Lenders have already engaged in preliminary discussions with certain developers regarding the possibility of a development arrangement, including providing access to limited confidential information concerning the Project as has been consented to by the Receiver. The Receiver is of the view that the proposed SISP will provide any and all existing or additional interested developers with the opportunity and time necessary to formulate and make a Development Proposal for consideration under the SISP.

6.21 The SISP does not involve a formal "stalking horse bid" or "credit bid" from the Senior Secured Lenders at the outset. The reason for this (as is often the case in SISPs) is that the Senior Secured Lenders have determined that, as discussed above, they need to see the results of the SISP in order to determine the best path forward. In any event, as discussed, the Senior Secured Lenders have confirmed that, even in the event that there is no acceptable transaction that emerges from the SISP, they are nonetheless committed to facilitating the continued construction of the Project to completion through a stand-alone transaction.

Overview of the SISP

6.22 The terms of the proposed SISP were developed in consultation with JLL, who provided input to the Receiver on the time required to market the Project and on market considerations impacting the design of the SISP. The terms of the SISP were also discussed extensively with the Senior Secured Lenders and their advisors. Further, the proposed SISP was also provided to, and discussed with, other significant Project stakeholders who have signed non-disclosure agreements with the Receiver. A copy of the SISP is attached as Schedule "A" to the proposed SISP Approval Order.

6.23 The following table provides a high-level summary of the key stages and milestones (each, a "**Milestone**") contemplated under the SISP, which assumes the Court will have granted the SISP Approval Order on the date of the hearing of the Receiver's Motion. Any of the Milestones may be extended by the Receiver if it considers it appropriate to do so, after consultation with the Broker and with the consent of the Senior Secured Lenders.

Milestone	Date(s)
Phase 1: Formal marketing process and initial due diligence period	June 6 to July 30, 2024
Phase 1 Bid Deadline	July 30, 2024
Phase 2: Due diligence period for Qualified Bidders	August 13 to September 24, 2024
Phase 2 Bid Deadline	September 24, 2024
Court approval of Successful Bid	No later than the week of October 14, 2024 (subject to Court availability)

6.24 The key terms of the SISP are summarized in the following table:[5]

SUMMARY OF SISP		
Milestone / Step	**Timeline**	**Description of Activities**
Finalization of Marketing Materials	Within 5 Business Days after the issuance of the SISP Approval Order	JLL and the Receiver will: • prepare a list of potential bidders for each Opportunity (the "**Bidder List**"); • prepare a marketing brochure (the "**Brochure**") describing the Opportunities and a form of non-disclosure agreement (the "**NDA**") to be signed by Potential Bidders (as defined below); • prepare a confidential information memorandum (the "**CIM**") containing detailed Project information; and • cause a notice of the SISP to be posted on the Case Website.
Solicitation of Interest	Following completion of the above steps	• JLL, with the assistance of the Receiver, will send the Brochure and the NDA to all parties on the Bidder List and any other party who wishes to participate in the SISP who requests a copy of the Brochure and is identified to JLL or the Receiver as a potential bidder (each such party being a "**Potential Bidder**").
Phase 1	During the period June 6 to July 30, 2024 (a period of 54 days)	• JLL, under the supervision of the Receiver, will solicit non-binding letters of intent ("**LOIs**") in respect of each Opportunity. • A Potential Bidder, upon execution of the NDA, will be deemed a "**Participating Bidder**" and will be provided with a copy of the CIM and access to an electronic data room developed for Phase 1 and such other due diligence materials relating to the Project as the Receiver, in its reasonable business judgement, in

[5] See the SISP appended to the proposed SISP Approval Order for the full terms of the SISP.

SUMMARY OF SISP		
Milestone / Step	**Timeline**	**Description of Activities**
		consultation with JLL, determines necessary or appropriate, provided that the Receiver and JLL reserve the right to restrict any Participating Bidder's access to selected due diligence information where such information or materials contain proprietary or sensitive competitive information.
Phase 1 Bid Deadline	5:00 pm (Toronto time) on July 30, 2024	• LOIs must be delivered to the Receiver and JLL on or before the Phase 1 Bid Deadline to be considered a "**Qualified LOI**". • Qualified LOIs must indicate whether the Participating Bidder is making a Transaction Proposal or a Development Proposal and must meet certain other criteria as set out in the SISP, including, among other things, those listed below. In the case of a Transaction Proposal: • The purchase price/investment amount must equal or exceed the Minimum Bid Threshold, or in the case of a Transaction Proposal for the Residential Component or the Commercial Component only, the purchase price/investment amount would, if combined with a Transaction Proposal for the other component of the Project, equal or exceed the Minimum Bid Threshold. In the case of a Development Proposal: • The LOI must provide a detailed description of the structure of the proposed arrangement and related transaction, including any proposed investment in the Project; the specific terms or other material attributes of any proposed ongoing financing; and any fees, entitlements, interests or other consideration sought by the Participating Bidder in connection with the Development Proposal; • The LOI must include a preliminary description of the Participating Bidder's plans for the development of the Project (the "**Development Plan**"), which may include: (i) a pro forma model and estimated timeline to complete construction of the Project; (ii) any proposed construction changes and the impacts, if any, on the construction schedule; (iii) proposed sales, marketing and branding strategies for the Residential Component; and (iv) the proposed business plan for the Commercial Component, including the hotel, F&B and parking components; and • The proposal must be acceptable (solely for the purposes of proceeding to Phase 2) to the Senior Secured Lenders in their sole and absolute discretion.
Phase 1 Assessment of LOIs and	Within 7 business days following the Phase 1 Bid Deadline (or such	• LOIs received during Phase 1 will be reviewed by the Receiver, in consultation with JLL and the Senior

SUMMARY OF SISP		
Milestone / Step	**Timeline**	**Description of Activities**
Continuation or Termination of the SISP	later date as may be determined by the Receiver in consultation with JLL and the Senior Secured Lenders)	Secured Lenders, to determine whether they are Qualified LOIs that meet the criteria set out in the SISP. • LOIs determined to be Qualified LOIs will then be assessed by the Receiver, in consultation with JLL and the Senior Secured Lenders, to determine whether there is a reasonable prospect of obtaining a "Qualified Bid" (as defined below). To that end, the Receiver will consider, among other things, the criteria outlined in the SISP, including: ○ the form and amount of consideration offered; ○ the demonstrated financial capability of the Participating Bidder to consummate the proposed transaction; and ○ the Participating Bidder's experience with the development and operation of large, mixed-use, high-rise development projects in urban centres, whether it is registered with Tarion and the HCRA as a builder and/or vendor, and its capacity to obtain financing for the transaction. • If one or more Qualified LOIs are received and the Receiver, in consultation with JLL and the Senior Secured Lenders, determines there is a reasonable prospect of obtaining a Qualified Bid, the SISP shall continue to Phase 2. In making such a determination, the Receiver may consider whether separate LOIs for a Transaction Proposal for the Residential Component and the Commercial Component could, collectively, result in a reasonable prospect of obtaining a Qualified Bid, or whether separate LOIs for a Transaction Proposal for the Commercial Component and a Development Proposal for the Residential Component could, collectively, result in a reasonable prospect of obtaining a Qualified Bid. • If the Receiver, in consultation with JLL and the Senior Secured Lenders, determines that no Qualified LOI has been received, or there is no reasonable prospect of a Qualified LOI resulting in a Qualified Bid, the Receiver may give notice of the termination of the SISP by email to the service list and Participating Bidders who submitted LOIs.
Phase 2	During the period August 13 to September 24, 2024 (a period of 42 days)	• A bid process letter for Phase 2 will be sent to all Participating Bidders who submitted Qualified LOIs and have been selected by the Receiver to participate in Phase 2 ("**Qualified Bidders**"). • Qualified Bidders will conduct additional due diligence and prepare a final binding proposal (a "**Final Bid**") to be submitted on or before the Phase 2 Bid Deadline.

SUMMARY OF SISP		
Milestone / Step	**Timeline**	**Description of Activities**
		• During Phase 2, Qualified Bidders will be given access to a data room developed for Phase 2, a form of transaction agreement and such further due diligence materials and Project information, if any, that the Receiver in its reasonable judgement, in consultation with JLL, determines appropriate. • Final Bids must contain a duly authorized and executed transaction agreement setting out the definitive terms and conditions of the Transaction Proposal or the Development Proposal, as applicable, together with all exhibits and schedules thereto. Final Bids for a Transaction Proposal must be based on, and accompanied by, a mark-up of the form of transaction agreement showing amendments and modifications made thereto.
Phase 2 Bid Deadline	5:00 pm Toronto Time on September 24, 2024	• To be considered a qualified Final Bid ("**Qualified Bid**"), a Final Bid must be received by the Phase 2 Bid Deadline and meet certain requirements as set out in the SISP, including, among other things, the following: ○ it must include the amount to be paid, invested or financed, as applicable, and written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Receiver, in consultation with JLL and the Senior Secured Lenders, to make a reasonable determination as to the Participating Bidder's financial and other capabilities to consummate the transaction; ○ in the case of a Transaction Proposal: (i) it must set out the purchase price or investment amount and full details regarding the Property to be included and any Property to be excluded from the bid; (ii) the purchase price or investment amount, in the aggregate, must equal or exceed the Minimum Bid Threshold; and (iii) it must include details of any liabilities to be assumed by the Qualified Bidder; ○ in the case of a Development Proposal, it must: (i) set out any proposed investment in the Project, the terms of any proposed ongoing financing, and any fees or other consideration sought; (ii) include the Participating Bidder's final proposed Development Plan; and (iii) must be acceptable to the Senior Secured Lenders in their sole and absolute discretion; and ○ it is not conditional upon: (i) approval from the Qualified Bidder's board of directors (or comparable governing body) or equity holder(s); (ii) the outcome of any due diligence by the

SUMMARY OF SISP		
Milestone / Step	**Timeline**	**Description of Activities**
		Qualified Bidder; or (iii) the Qualified Bidder obtaining financing.
Evaluation and Selection of the Successful Bid	As soon as possible after the Phase 2 Bid Deadline	• The Receiver, in consultation with JLL and the Senior Secured Lenders, will review each Final Bid and, if one or more Qualified Bids is received, the Receiver, exercising its reasonable business judgment and following consultation with JLL and the Senior Secured Lenders may: ○ negotiate with one or more bidders who submitted a Qualified Bid, including requesting that such bidder improve or otherwise modify the terms of its Qualified Bid; and ○ select the Qualified Bid that it considers to be the best bid (the "**Selected Qualified Bid**") based on its evaluation of such bid pursuant to the criteria outlined in the SISP. • Once a Selected Qualified Bid has been selected, JLL and the Receiver, in consultation with the Senior Secured Lenders and their advisors, shall negotiate and settle the terms of a definitive agreement in respect of the Selected Qualified Bid, all of which will be conditional upon Court approval at which time the Selected Qualified Bid will become the "**Successful Bid**" and the person(s) who made the Selected Qualified Bid will be the "**Successful Bidder**". • If the Receiver, after consultation with the Broker and the Senior Secured Lenders, determines at any point during Phase 2 that there is no reasonable prospect of obtaining a Final Bid resulting in a Qualified Bid, or determines that no Qualified Bid has been received at the end of Phase 2, then the Receiver, with the consent of the Senior Secured Lenders, may designate one or more Final Bids as Qualified Bids; failing which the Receiver may give notice of the termination of the SISP by email to the service list and Qualified Bidders who submitted Final Bids.
Approval Motion for Successful Bid	Not later than the week of October 14, 2024 (subject to Court availability)	• As soon as reasonably practicable after the selection of the Successful Bid, the Receiver will make a motion to the Court for an order approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other action as may be necessary or appropriate to give effect to the Successful Bid.

6.25 Additional notable terms of the SISP include the following:

(i) each of the Opportunities will be presented and implemented on an "as is, where is" basis and without surviving representations or warranties of any kind, nature or description by the Debtors, the Receiver, JLL or any of their respective affiliates, except to the extent set forth in a definitive final agreement executed with a Successful Bidder and approved by the Court;

(ii) the Receiver, after consultation with JLL and the Senior Secured Lenders, will have the right to modify the existing terms, conditions or requirements for the SISP or adopt such other terms, conditions or requirements for the SISP that in the Receiver's reasonable business judgement will better promote the purpose of the SISP, provided that the adoption of any terms, conditions or requirements that materially deviate from the SISP shall require the prior consent of the Senior Secured Lenders or an order of the Court;

(iii) any Secured Creditor (as defined in the SISP) will have the right to credit bid its secured debt against the assets secured thereby, including principal, interest and any other secured obligations owing to such Secured Creditor by the Debtors, provided that any such Secured Creditor shall be required to pay in full in cash on the closing of any transaction any obligations in priority to its secured debt (unless the holder of such priority obligation agrees to accept a lower payment than the total amount of obligations owed to them) and the reasonable fees and expenses of the Receiver necessary to conclude the Receivership Proceedings;

(iv) the Receiver will have the right to not accept any Qualified Bid or to otherwise terminate the SISP;

(v) the Receiver will be permitted, in its discretion, to provide general updates and summary information in respect of the SISP to any Secured Creditor and its legal and financial advisors, if applicable, on a confidential basis, upon: (a) irrevocable written confirmation from such Secured Creditor that neither it nor any of its affiliates will participate as a bidder in the SISP; and (b) such Secured Creditor executing a confidentiality agreement in form and substance satisfactory to the Receiver; and

(vi) the completion of any Transaction Proposal or Development Proposal shall be subject to the approval of the Court and the requirement of approval of Court may not be waived.

The Receiver's Considerations on the Proposed SISP

6.26 The proposed SISP is designed to identify any all potential forms of value maximizing transactions or arrangements that will result in the sale or completion of the Project, and that are acceptable to the Receiver and the Senior Secured Lenders.

6.27 The process contemplated by the SISP is comprehensive, fair, transparent, and provides for significant flexibility as to the form of ultimate transaction, including the possibility of a Development Proposal being pursued should no Transaction Proposal be received that meets the relevant criteria under the SISP. As noted above, the Receiver, with the consent of the Senior Secured Lenders, may select a Development Proposal as the Selected

Qualified Bid, or, alternatively, if no Development Proposal has been received that is acceptable to the Receiver and the Senior Secured Lenders, the Receiver may terminate the SISP and the Senior Secured Lenders may pursue a transaction on a stand-alone basis, in each case subject to further approval of the Court.

6.28 The Receiver recommends that the Court grant the proposed SISP Approval Order for the following reasons:

(i) it is the Receiver's view that the SISP is commercially reasonable;

(ii) the SISP contemplates a comprehensive, fair, open and transparent process developed in consultation with JLL, as well as with input from the Senior Secured Lenders and certain other stakeholders, and is intended to broadly canvass the market in an efficient manner to maximize the value of and interest in the Project;

(iii) the inclusion of the Minimum Bid Threshold and the agreement of the Senior Secured Lenders not to bid in the SISP will provide guidance and certainty to Potential Bidders in the SISP. It is the Receiver's view that without these features Potential Bidders would be hesitant to invest time and resources in a potential bid given the possibility of a credit bid from the Senior Secured Lenders for the full amount of their debt;

(iv) the SISP was designed to ensure maximum flexibility so that the Receiver may react to any circumstances that could arise during the course of the SISP and extend timelines or adjust procedures as necessary to maximize the prospect of securing qualified and implementable transactions through the SISP;

(v) the Receiver is of the view that the information expected to be made available to Participating Bidders will allow such parties to make an informed decision and to prepare a bid in respect of an Opportunity;

(vi) it is the Receiver's view that the SISP timeline and the Milestones contemplated therein are appropriate and will allow Participating Bidders to perform diligence and submit offers in respect of the Opportunities; and

(vii) the SISP, including the Milestones contemplated therein, have been approved by the Senior Secured Lenders.

7.0 PROPOSED RECONFIGURATION

7.1 Since the Appointment Date, the Receiver has assessed and evaluated various potential value maximizing opportunities and alternatives for the Project, including alternatives to the existing floor plate configuration of the Residential Component of the Project. In particular, the Receiver has considered alternative floor plates for the currently unconstructed levels of the Residential Component above level 61 (the "**Upper Levels**"), which in the current floor plate configuration, are the largest, most expensive Units in the Project as there are only two or four Units per floor on the Upper Levels (all of the floors below level 62 have either six or ten Units per floor).

7.2 In the Project's existing configuration (the "**Base Configuration**"), the Upper Levels include 69 Units with an average size of over 2,600 square feet per Unit, only 19 (or 28%) of which are subject to a CSA (as compared to the levels below level 62 which include 345

Units with an average size of approximately 1,000 square feet per Unit, 94% of which are subject to a CSA).

7.3 Of the 19 Units in the Upper Levels that are subject to a CSA, the CSA for nine of those Units is in default with respect to the deposit requirements of the CSA (collectively, the "**Default Units**"). As of the date of this Second Report, the provisions of the CSA for the remaining ten Units (the "**Qualified Units**") have all been met.

7.4 The Reconfiguration Advisors (as defined below) have indicated that there is an extremely limited market for Units of the size and sale price of those located in the Upper Levels under the Base Configuration, and that the timeline that may be required to sell the volume of such Units that remain available would be significant, as is evidenced by the high number of Units in the Upper Levels that currently remain unsold (72% of these Units remain unsold and, as discussed, nine of the 19 sold Units in the Upper Levels are in deposit default).

7.5 In considering alternative configurations of the Upper Levels, the Receiver sought input from multiple real estate advisors, including two that are engaged by the Receiver, as well as JLL, KDC, Skygrid, Bousfield Inc., Strategy Corp Inc. ("**Strategy Corp**"), Goodmans and the Project's architect and engineering consultants (collectively, the "**Reconfiguration Advisors**") to provide information on the current market conditions, fair market values, anticipated velocity of sale, as well as the limits of such reconfiguration posed by zoning requirements, site plans, permits and the existing infrastructure of the Project, all while ensuring that any reconfiguration would maintain the Project's existing aesthetics, high quality construction and luxury look and finishes.

7.6 As a result of input from the Reconfiguration Advisors, two potential reconfiguration options for the Upper Levels were developed by the Receiver, one of which would add an additional 60 Units to the Project, and the second of which would add an additional 88 Units to the Project. After careful analyses with the Reconfiguration Advisors, and extensive consultation with the Senior Secured Lenders and their advisors, the Receiver has determined it is appropriate to proceed with the option to add 88 additional Units to the Upper Levels (the "**Reconfiguration Plan**") to enhance the value of the Project.

7.7 Under the Reconfiguration Plan, the Upper Levels will be reconfigured as follows:

(i) levels 62 and 76 will be modified from a four-Unit layout to a six-Unit layout;

(ii) levels 63 to 75 will be modified from a four-Unit layout to a ten-Unit layout; and

(iii) levels 79 to 81 will be modified from a two-Unit layout to a four-Unit layout.

7.8 The changes described above will increase the total Unit count of the Project by 88 Units, from 415 Units (including one Unit comprised of two Units combined) to 503 Units.

7.9 In order to simplify the design and construction process, and to avoid impacting the Schedule, the design drawings for the proposed four-, six-, and ten-Unit layouts contemplated in the Reconfiguration Plan are consistent with the respective layouts contemplated in the Base Configuration.

7.10 The Receiver prepared a cost benefit analysis to compare the economic impacts of the Reconfiguration Plan against the Base Configuration. When considering the current market conditions and forecast sales velocity that could realistically be achieved, the

Reconfiguration Plan is anticipated to generate substantial additional net realizable value when compared to the Base Configuration.

7.11 As mentioned above, concrete pouring for level 58 is currently in the preparation phase. The Schedule contemplates that concrete pouring at level 62 (the first level impacted by the Reconfiguration Plan) will begin in approximately one month, at the end of June 2024. Accordingly, the Receiver is actively working with the Reconfiguration Advisors and other stakeholders to plan for this change.

7.12 Updates to the design drawings to reflect the Reconfiguration Plan are currently underway with the Project's consultants. To ensure that construction of the Reconfiguration Plan can advance smoothly, the Receiver and the Project's consultants are in the process of preparing summary materials that highlight the proposed changes for review and confirmation by the City Planning Division. The Receiver has also engaged with Tarion in respect of the Reconfiguration Plan in order to discuss new home warranty coverage for the proposed addition of 88 Units to the Residential Component.

7.13 The Receiver notes that the Reconfiguration Plan provides for virtually identical Units (i.e., same square footage, exposure and layout) to be constructed for eight of the ten Qualified Units, and for four of the nine Default Units on a higher floor than contemplated under the Base Configuration ("**Equivalent Unit**").

7.14 The Receiver continues to consider design alternatives that will allow for the creation of Equivalent Units, or otherwise provide for an acceptable alternative for the remaining two Qualified Units that do not have a specific location in the standard floorplates described above under the Reconfiguration Plan. Based on consultation with Skygrid and the

Project's consultants, the Receiver understands that it is feasible, from a design and constructability perspective, to combine certain Units in the Reconfiguration Plan to provide an Equivalent Unit to the remaining two Qualified Units.

7.15 Of the five Default Units for which there is no Equivalent Unit available, three of the parties had not paid any deposit at all, and two of the parties had paid only $20,000 of their required deposit amount (which, at this time, total approximately $870,000 in one case and over $6.2 million in the other case). These purchasers (the "**Defaulting Purchasers**") are in default under the terms of the applicable CSAs.

7.16 The Defaulting Purchasers' failure to pay the deposits they agreed to pay (or in some cases, no deposit at all) together with other concerns identified by the Receiver relating to the Defaulting Purchasers, raised significant concerns about whether the Defaulting Purchasers were willing or able to complete the sale transactions contemplated by the applicable CSAs. The Defaulting Purchasers were:

(a) non-Canadian residents, who each signed a CSA to purchase a Unit (3 Units in total) but did not pay any of the required deposit of approximately $1.6 million per Unit. These transactions were each entered into on December 30, 2022, being the eve of tax changes that came into effect on January 1, 2023, that adversely impacted foreign buyers purchasing residential real estate in Canada;

(b) a foreign company which paid only $20,000 of the required $870,000 in deposits; and

(c) an individual who paid only $20,000 of the required $6.2 million in deposits.

7.17 In light of the significant deposit defaults in respect of the five Default Units, and doubts about whether the purchasers could or would complete the sale transactions, the Receiver sent default notices to the purchasers of each of the five Default Units for which there is no Equivalent Unit on May 1, 2024 (each, a "**Default Notice**"). The Default Notices required that each Defaulting Purchaser cure their default by May 13, 2024, by paying the overdue deposits, failing which the CSA would be terminated and any deposit amounts paid forfeited. None of these purchasers responded to the Receiver's notice, nor have any paid any further deposit amounts. Accordingly, the CSA for each of these five Default Units has been terminated.

7.18 The Receiver will continue to monitor and assess the status of the remaining four Default Units; however the Receiver notes that three of the four remaining Default Units are not impacted by the Reconfiguration Plan and remain unchanged in terms of exposure, layout, and floor location.

7.19 Pursuant to the provisions of the Exclusive Listing Agreement dated July 12, 2017, between MI and the Nominee, in the event that a CSA is terminated as a result of default by the purchaser, any commission paid to MI is to be promptly returned. To date, MI has been paid approximately $1.82 million in commissions in respect of the five terminated Default Units. Accordingly, on May 15, 2024, the Receiver wrote to MI to advise of the termination of the CSAs for the five terminated Default Units and to request that the associated commissions be returned by June 1, 2024.

7.20 It is appropriate in the Receiver's view to proceed with the Reconfiguration Plan as: (i) it is the best option available within existing practical constraints to maximize returns from

the Project; (ii) it has been designed to maintain the same standard of quality construction and luxury of the Project, while providing for Units that are sellable in the current market; (iii) it was developed in conjunction with the Reconfiguration Advisors and supported by the Senior Secured Lenders; and (iv) given the anticipated length of time required for the market to absorb Units of the size and sale price of those in the Upper Levels in the Base Configuration, the Reconfiguration Plan provides for a significantly reduced timeline within which to realize the maximized returns. For these reasons, the Reconfiguration and LC Arrangement Order contemplates the approval and implementation of the Reconfiguration Plan as described herein.

7.21 It is the Receiver's intention to market the Project in the SISP based on the Reconfiguration Plan and it is the Receiver's view that its approval at the time of the SISP will provide certainty for the marketing process.

8.0 UPDATE ON THE MIZRAHI INC. MOTION FOR PAYMENT

8.1 On February 26, 2024, MI served the MI Payment Motion seeking to compel payment by the Receiver of: (i) $4,086,007.53 for the period from October 18, 2023 up to February 22, 2024; and (ii) an unspecified amount for the period after February 22, 2024. The core allegation underlying the MI Payment Motion is that paragraph 17 of the Receivership Order requires that the Receiver continue paying MI using the same payment practices utilized by the Debtors in the pre-receivership period (the "**MI Payment Practices**").

8.2 The Receiver does not agree with MI's interpretation of the Receivership Order. The Receiver carefully considered the Receivership Order, and determined that its mandate included assessing whether MI was actually entitled to the amounts that it claimed.

8.3 In the Receiver's view, the Receivership Order confers on the Receiver the right to adopt the "normal payment practices", enter into a new agreement with respect to compensation (which it tried to do unsuccessfully, as described in the First Report), or ask the Court to fix fair compensation for the services that MI provided since the commencement of the Receivership Proceedings. The Receiver also believes that certain potential claims against MI should be considered as part of the MI Payment Motion.

8.4 On March 18, 2024, MI and the Receiver (and certain other stakeholders) attended at a case conference before Justice Osborne with respect to scheduling the MI Payment Motion. Justice Osborne accepted the Receiver's proposed litigation schedule, which contemplates delivery by the Receiver of its responding materials by May 31, 2024, and a hearing for the motion in September 2024. No specific hearing date has been set. A copy of Justice Osborne's endorsement is attached as **Appendix "F"**.

8.5 The Receiver is currently in the process of preparing a response to the MI Payment Motion. The Receiver has, among other things:

(i) conducted a detailed review of the underlying contractual arrangements between MI and the Debtors;

(ii) reviewed certain relevant aspects of the Project history in order to assess whether the MI Payment Practices were properly authorized by the Debtors;

(iii) evaluated MI's performance during the period after the Receiver was appointed; and

(iv) investigated payment practices in the industry generally, in order to assess whether the amounts claimed by MI are consistent with market rates for similar services.

8.6 The Receiver is also investigating certain potential claims against MI. This investigation has been delayed because MI has refused to provide complete financial information about the Project to the Receiver, as described below.

The Receiver's Request for Information

8.7 As part of the Receiver's investigation of certain potential claims against MI, the Receiver is reviewing aggregate Project Costs (as defined below) and the related funding sources of same. The Receiver understands that prior to advancement of financing by the Senior Secured Lenders, funds for the Project may have been comingled within bank accounts held by MI. The Receiver is currently in the process of reviewing the Project's sources of financing and the corresponding flow of funds**.**

8.8 For example, as noted in the First Report, CERIECO Canada Corp. ("**CERIECO**") is a secured creditor who advanced funds to finance the initial stages of the Project's construction. The Receiver understands that CERIECO advanced approximately $200 million to the Project (the "**CERIECO Advances**"), which was paid directly into one bank account held by MI (the "**MI Account**"). MI has advised that these amounts were either transferred to the Project's bank accounts held at TD Canada Trust and KEB Hana (the "**Project Accounts**") or used to pay Project expenses. Other amounts were, according to MI, used to pay Project expenses directly from the MI Account. In total, almost $90 million was paid into the MI Account and never paid to the Project Accounts. The Receiver

requires certain documents to confirm these assertions but MI has refused to produce fully unredacted bank statements for the MI Account.

8.9 Certain CERIECO Advances were also paid directly to the Project Accounts, being segregated bank accounts that relate solely to the Project. The Receiver has access to complete bank statements for the Project Accounts.

8.10 The Project Accounts do not, however, provide complete information about the Project's finances because some amounts were paid directly into and out of the MI Account without being paid to the Project Accounts.

8.11 As part of the Receiver's review of the Project's financial records, the Receiver asked for bank statements for the MI Account (the "**MI Account Statements**"). MI provided redacted MI Account Statements, but refused to provide complete copies of the MI Account Statements. The redacted MI Account Statements show payments from CERIECO into the MI Account and certain transfers from the MI Account to the Project Accounts. The redacted statements do not show any payment of Project expenses by MI from the MI Account.

8.12 When the Receiver made its initial request, MI was still working as the general contractor on the Project. The Receiver determined that compelling production of the MI Account Statements at that time could harm its relationship with MI and potentially impede progress on the Project. As a result, it did not move to compel production of unredacted MI Account Statements at that time.

8.13 In addition to the MI Account Statements, the Receiver has asked MI to provide it with all documents, including emails, relating to the Project as part of the transition of construction management from MI to Skygrid. All of these documents (including the MI Account Statements) are "Records" within the meaning of the Receivership Order and the Receivership Order specifically requires that they be produced.

8.14 MI agreed to provide the requested Project documents to the Receiver, but it has not fully produced them to date. MI advised that it engaged a third-party service provider to conduct a review of the documents and that they would be provided within 3-4 weeks of April 8, 2024. The May 8, 2024 deadline set by MI passed without the production of the required documents, or any explanation from MI. Correspondence from counsel to MI relating to this issue, dated April 8, 2024 and April 19, 2024, is attached as **Appendix "G"**.

8.15 To date, the Records requested by the Receiver have not been fully provided. No Project-related emails have been produced since March 19, 2024. As of the date of this Second Report, Project-related emails have been provided to the Receiver for seven out of the 27 Project Employees. Certain key Project Employees who transitioned from MI to Skygrid, including project managers, have yet to receive copies of their historical email records, resulting in ongoing issues with the performance of their work and communications with trades and suppliers.

8.16 Counsel to the Receiver wrote to MI on April 1, 2024 and requested production of the MI Account Statements and certain ancillary documents.

8.17 On April 8, 2024, MI responded to the Receiver to advise that it was under no obligation to provide unredacted copies of the MI Account Statements. It claimed that all information relating to the Project was shown in the redacted records.

8.18 On April 16, 2024, counsel to the Receiver wrote to counsel to MI to again request that all relevant Records be produced, without alteration (i.e., without redaction). This email is attached as **Appendix "H"**.

8.19 On April 19, 2024, MI responded to re-iterate its refusal to produce the MI Account Statements. It said that under "no circumstances (absent a court order) will MI agree to deliver unredacted bank statements". MI re-iterated its position that all relevant information was shown on the redacted MI Account Statements.

8.20 The Receiver does not agree with MI's position. Based on its review of the redacted MI Account Statements, MI has redacted information relating to the payment of Project expenses from the MI Accounts.

8.21 On May 2, 2024, MI wrote to concede that the redacted bank statements it had provided did not contain all of the information about the Project. It offered to provide different redacted statements that would show Project-related payments from the MI Accounts, but insisted that the Receiver agree in advance that MI is entitled to redact non-Project related expenses.

8.22 The Receiver is not prepared to agree to MI's terms, for several reasons. First, the MI Account statements are Records within the meaning of the Receivership Order. Nothing in the Receivership Order allows a party to redact information from Records that are produced

to the Receiver. Second, even assuming that the redactions proposed by MI are possible, they will take significant time to complete. This is an unnecessary delay, because unredacted documents must be produced immediately. Third, the Receiver does not believe that MI will suffer any prejudice if it produces unredacted statements for the MI Accounts. If all Project funds were used appropriately, as MI alleges, then the Receiver can confirm this, and the MI Account statements can be returned to MI or destroyed. On May 9, 2024, the Receiver wrote to require that complete and unredacted copies of the MI Accounts be produced.

8.23 On May 27, 2024, counsel to MI sent over certain additional information to the Receiver. This information does not include Project emails or unredacted statements for the MI Accounts. The Receiver is in the process of reviewing this information to determine if it is relevant.

8.24 As of the date of this Second Report, the Records requested by the Receiver, including the Project emails, have not been produced by MI to the Receiver. Accordingly, a motion will likely be required to compel production of these Records.

MI Lien Notice to Receiver and Other Disputes with MI

8.25 On April 26, 2024, MI delivered a Lien Notice to Receiver pursuant to the Lien Regularization Order claiming that it is owed $11,041,387.76 (the "**MI Lien Amount**"). The Lien Notice provides no other information with respect to the MI Lien Amount, or the basis for MI's entitlement to same.

8.26 The Receiver was initially unable to evaluate MI's Lien Claim based on the information provided by MI. Accordingly, on May 2, 2024, the Receiver delivered a request for particulars, pursuant to paragraph 22 of the Lien Regularization Order, seeking full particulars of, among other things, the methodology by which the MI Lien Amount was calculated, confirmation that the MI Lien Amount includes the amount claimed in the MI Payment Motion and confirmation of whether any of the MI Lien Amount seeks payment of statutory holdback. The Receiver's request for particulars is attached as **Appendix "I"**. Pursuant to the Lien Regularization Order, MI was required to deliver a response by May 12, 2024.

8.27 On May 16, 2024, MI wrote to provide certain further details to the Receiver to support a revised MI Lien Amount of $10,845,564.30.

8.28 Based on the Receiver's analysis of the information provided by MI, the *maximum amount* of the Lien Claim is $7,073,999.35. To be clear, the Receiver denies that MI is entitled to any additional payment in satisfaction of the Lien Claim, or at all. However, in an effort to narrow the dispute with MI, the Receiver prepared an analysis summarizing the Receiver's reconciliation of the Lien Claim to the information available to it, and proposed certain adjustments in its letter to counsel to MI dated May 26, 2024, attached hereto as **Appendix "J"**, that the Receiver believes will simplify (although not eliminate) the disputes relating to the Lien Claim.

8.29 The events described above, including MI's refusal to produce Records and its delivery of the Lien Notice (which appears to overlap with, and should be determined at the same time as, the MI Payment Motion) will require an adjustment to the schedule for the adjudication

of the MI Payment Motion. Counsel to the Receiver is working with counsel to MI to schedule a case conference to address this issue.

8.30 In addition, MI has taken the position that it is entitled to immediate payment of a 5% construction management fee ("**CM Fee**") on amounts invoiced by subcontractors but held back pursuant to the Provincial Lien Legislation. In its May 9, 2024 letter, referenced above and attached as **Appendix "K"**, counsel to the Receiver advised MI that even if it is entitled to a CM Fee on holdback amounts (which the Receiver does not admit) then that fee would be payable when the underlying holdback amounts are paid.

8.31 MI has not responded to the Receiver's position. However, the Receiver believes that the claim for the CM Fee on holdback amounts can and should be addressed together with the other disputes between the parties as part of the MI Payment Motion.

9.0 UPDATE ON 15-19 BLOOR MATTERS

9.1 As described in the First Report, the Receiver retained Loopstra Nixon LLP ("**Loopstra**") in connection with an outstanding appeal to the Ontario Land Tribunal ("**OLT**") of a refusal by the City of Toronto to approve Official Plan and Zoning By-law Amendments to permit, *inter alia,* an increase in height and density for the lands known municipally as 15-19 Bloor Street West ("**15-19 Bloor**"), being the site immediately west of the Project (the "**Appeals**").

9.2 In connection with the Appeals, the Receiver and Loopstra attended a voluntary mediation in January 2024. Parties to the mediation included the applicant for the development proposal at 15-19 Bloor (the "**15-19 Applicant**"), the City of Toronto, the local ratepayer's

association and the condominium corporation immediately south of 15-19 Bloor. While the majority of the Appeals were resolved amongst the parties, informal settlement discussions between the 15-19 Applicant and the Receiver continued following the mediation session in January. As a consequence of these discussions, together with the revisions to the proposal that were agreed to by the 15-19 Applicant through the mediation process, a contingent settlement in principle was reached regarding the built form of the proposal between the 15-19 Applicant and the Receiver.

9.3 In light of this, the hearing in respect of the Appeals, which had been scheduled to commence on June 10, 2024, was cancelled and a case management conference has been scheduled for July 15, 2024. The settlement in principle in respect of the Receiver's position in the Appeals is contingent upon the Receiver being satisfied that there are no material and unacceptable wind impacts on the Project as a result of the proposal. The 15-19 Applicant is currently undertaking a wind tunnel study, which will be peer reviewed by the wind impacts consulting engineer that has been retained on behalf of the Receiver. If the wind impacts consulting engineer identifies concerns with the wind study, which cannot be resolved to the satisfaction of the Receiver, the parties have agreed to request that the OLT schedule a hearing in the fall of 2024 to deal with those concerns.

10.0 RECEIPTS AND DISBURSEMENTS

10.1 Actual receipts and disbursements for the period from October 18, 2023 to April 30, 2024 (the "**Reporting Period**") are summarized in the following table:

Cash Flow Report ***$000s***	**Actual**
HST Refunds, Interest and Other Receipts	11,630
Total Receipts	**$11,630**
Disbursements:	
Construction Costs	(86,309)
Design Related Costs	(3,108)
General, Administrative & Marketing	(2,828)
Land & Development Costs	(3,667)
Financing Commitment Fee	(4,725)
Restructuring Professional Fees	(11,841)
Total Disbursements	**($112,479)**
Net Cash Flow	**($100,849)**
Cash Balance: Construction Account:	
Opening Cash	31,148
Net Cash Flow	(100,849)
Advances	148,872
Ending Cash: Construction Account	**$79,171**

10.2 During the Reporting Period:

(i) total receipts of approximately $11.6 million were comprised of HST refunds, accrued interest and other miscellaneous collections; and

(ii) total disbursements of $112.5 million were incurred in the ordinary course of construction and included ongoing approved Project costs (the "**Project Costs**"), comprised of payments to contractors, subcontractors and other suppliers, construction management fees paid to the Former Developer and Skygrid, payments of the applicable holdback amounts into the 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, 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.

10.3 The opening cash balance of $31.1 million relates to the Debtors' cash balance (excluding amounts in the Holdback Accounts) at the commencement of these Receivership Proceedings, which the Receiver took possession of immediately following its appointment.

10.4 As at April 30, 2024, the Receiver had drawn $148.9 million under the RFCA. The Receiver's cash balance as at April 30, 2024 was $79.2 million.[6] The Receiver continues to ensure it has sufficient cash on hand to fund a minimum of three months of disbursements and to address potential contingencies that may arise during this period.

11.0 UPDATED CASH FLOW FORECAST

11.1 The RFCA provides that, upon agreement with the RFCA Lender, the Receiver may amend and resubmit the cash flow projections attached as Schedule A to the RFCA. Accordingly, the Receiver has prepared an updated cash flow forecast, together with notes and a summary of assumptions, which is attached hereto as **Appendix "L"** (the "**Updated Cash Flow Forecast**"). The Updated Cash Flow Forecast covers the six-month period from May

[6] In addition to these funds held in the Receiver's construction account, the Receiver is also holding additional amounts in the Holdback Accounts.

1, 2024, to October 31, 2024 (the "**Forecast Period**"). The SISP is contemplated to be completed before the end of the Forecast Period.

11.2 The Receiver notes the following with respect to the Updated Cash Flow Forecast:

(i) receipts are limited and primarily include HST refunds. There are no receipts from the sale of Units or related deposits contemplated during the Forecast Period;

(ii) during the Forecast Period, total disbursements are projected to be approximately $138.1 million and include ordinary course Project Costs, as well as the costs of these Receivership Proceedings;

(iii) the opening cash balance of $79.2 million, together with the incremental funding available under the RFCA is projected to provide the Receiver with sufficient liquidity to fund the costs included in the Updated Cash Flow Forecast through the Forecast Period;

(iv) there is forecast to be approximately $100 million of available liquidity at the end of the Forecast Period. In the event additional time is required to complete the SISP, this liquidity will fund the continued construction during that time; and

(v) as referenced in the endorsement of Osborne J. dated March 7, 2024, the Receiver has confirmed to the Court that it will continue to hold in reserve an amount of not less than $6 million pending resolution of the issues that are the subject of the MI Payment Motion (the "**MI Payment Dispute Reserve**").

11.3 At the date of this Second Report, the Receiver is in compliance with, or has obtained limited waivers in respect of, all requirements under the RFCA.

Cost to Complete

11.4 The RFCA contemplates a maximum of $315 million in financing for the purpose of funding the ongoing construction of the Project. As noted in the Yoon Affidavit, at the time of the Appointment Date, funding beyond the maximum amount available under the RFCA would likely be required to complete construction of the Project.

11.5 In connection with the Milestones provided for under the RFCA, the Receiver and its advisors, including Skygrid since the Effective Date, have devoted significant time and effort to obtaining an accurate understanding of the status of construction of the Project and of the Cost to Complete and the Schedule. As of the date of this Second Report, based on the revised Budget, Schedule and Cost to Complete, the Receiver expects that the Project will be completed in the second half of 2027, and that the Cost to Complete will exceed the maximum funding provided for under the RFCA.

11.6 Despite the revised timeline for completion of the Project and the revised Cost to Complete, the Senior Secured Lenders continue to be supportive of the Project and have advised the Receiver that they are committed to facilitating the completion of the Project, including through a Senior Secured Creditor Transaction in the event that the SISP does not culminate in a Successful Bid.

12.0 THE RECEIVER'S ACTIVITIES SINCE THE DATE OF THE FIRST REPORT

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

(i) preparing and filing the Supplemental Report to the First Report to Court of the Receiver dated March 6, 2024;

(ii) attending the Court hearing held on March 7, 2024, regarding the motion seeking approval of the Construction Continuance Order and the Lien Regularization Order;

(iii) coordinating the uploading on the Case Website of all Court-filed materials in respect of these Receivership Proceedings;

(iv) monitoring and responding to stakeholder and other inquiries made to the Receiver's email account and telephone hotline for these Receivership Proceedings;

(v) communicating on a daily 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 the Former Developer prior to the Effective Date and those of the 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; and (e) strategic advice in relation to construction activities;

(vi) together with KDC, attending site meetings and participating in discussions and meetings with key trades, consultants and suppliers engaged on the Project;

(vii) monitoring the leased real property located at 625 Church Street where hotel "mock-up" suites have been built to ensure that each remains secure;

(viii) effective June 1, 2024, making appropriate arrangements to exit the MI branded sales office located at 181 Davenport Road (the "**Sales Office**") and together with KDC, Skygrid and select design consultants, remove all Project records and fixture and furnishings from the Sales Office;

(ix) attending at the Site Office on a regular basis to meet with senior management and employees of MI during the period prior to the Effective Date, and senior management and employees of Skygrid following the Effective Date, and consultants, trades and other suppliers to the Project;

(x) communicating with KDC in respect of monthly accounting services for the Project;

(xi) preparing and filing all outstanding annual returns on behalf of each of GP Inc. and the Nominee on March 18, 2024;

(xii) preparing and submitting the Interim Report of the Receiver dated April 17, 2024, in accordance with subsection 246(2) of the *Bankruptcy and Insolvency Act* (Canada);

(xiii) liaising with Finnegan Marshall and terminating the Receiver's engagement of Altus Group Limited, whose mandate was, as a result of the engagement of Finnegan Marshall, no longer required;

(xiv) 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;

(xv) together with KDC, conducting regular meetings with Skygrid, MI (during the period prior to the Effective Date), and consultants and trades engaged on the Project to continue to develop the Schedule, Cost to Complete, and critical path work streams;

(xvi) continuing to review the Debtors' insurance coverage, and working with the Project's insurance broker to ensure that satisfactory insurance coverage is in place;

(xvii) communicating with the Canada Revenue Agency ("**CRA**") regarding these Receivership Proceedings, filing required HST returns, and continuing to respond to information requests from the CRA in respect of HST audits relating to the periods January 1, 2023 to October 17, 2023, and October 18, 2023 to October 31, 2023;

(xviii) engaging Ernst & Young LLP ("**EY**") to prepare the Debtors' 2023 year-end tax returns, communicating with EY and gathering information required by EY in respect of that engagement;

(xix) together with 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 (the "**Severance**"), and an anticipated application for Land Titles Absolute;

(xx) as required by the RFCA, completing the Severance on May 22, 2024, such that the Residential Component and Commercial Component are now separate legal parcels;

(xxi) meeting with legal counsel to Coco to obtain historical information in respect of the Project and certain related litigation matters;

(xxii) with the assistance of Strategy Corp and KDC, engaging a public art enterprise for the purposes of installing 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;

(xxiii) communicating with the parties to various litigation involving the Debtors or the Project, including to ensure that such litigation does not interfere with these Receivership Proceedings;

(xxiv) communicating with the HCRA about these Receivership Proceedings and the Project, including in respect of the proposed SISP;

(xxv) 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;

(xxvi) communicating with Tarion in respect of a notification to the Receiver that Tarion is conducting an analysis of the Project pursuant to the *Ontario New Home Warranties Plan Act*, and providing certain requested documentation in respect of same;

(xxvii) continuing to interface with Unit Purchasers;

(xxviii) communicating with the Senior Secured Lenders and the Project's other secured creditors and their respective advisors from time to time to discuss the status of these Receivership Proceedings and the Project; and

(xxix) drafting this Second Report and assisting with the preparation and review of materials in respect of the Receiver's Motion.

13.0 CONCLUSION AND RECOMMENDATION

13.1 For the reasons set out in this Second Report, the Receiver is of the view that the relief sought in the Receiver's Motion is reasonable, appropriate and necessary having regard to the circumstances outlined herein. Accordingly, the Receiver respectfully requests that the Court make an order granting the relief sought in the Receiver's Motion.

*****

All of which is respectfully submitted,

Alvarez & Marsal Canada Inc., 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.

Per: _____
Name: Stephen Ferguson
Title: Senior Vice-President

Per: _____
Name: Josh Nevsky
Title: Senior Vice-President

APPENDIX "D"
SISP APPROVAL ORDER

Court File No. CV-23-00707839-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 6TH
	)	
JUSTICE OSBORNE	)	DAY OF JUNE, 2024

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

ORDER
(Approval of SISP)

THIS MOTION, made by Alvarez & Marsal Canada Inc., in its capacity as Court-appointed receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc., for an order, *inter alia*, approving the Sale and Investment Solicitation Process in the form attached hereto as Schedule "A" (the "**SISP**") and certain related relief, was heard this day at 330 University Avenue, Toronto.

ON READING the Notice of Motion of the Receiver dated May 28, 2024, and the Second Report of the Receiver dated May 28, 2024 (the "**Second Report**"), and on hearing the

submissions of counsel for the Receiver, counsel for the Applicant and KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530, and counsel for the other parties appearing as noted on the counsel slip, no one else appearing for any party although duly served,

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Order (Appointing Receiver) of this Court dated October 18, 2023 (the "**Receivership Order**"), or the SISP, as the case may be.

APPROVAL OF BROKER AGREEMENT

3. **THIS COURT ORDERS** that the Agreement amended and restated as of May 25, 2024, engaging the Broker and attached as Appendix "E" to the Second Report (the "**Broker Agreement**"), and the retention of the Broker under the terms thereof, is hereby ratified and approved *nunc pro tunc* and the Receiver is authorized and directed to make the payments contemplated thereunder when earned and payable in accordance with the terms and conditions of the Broker Agreement.

SALE AND INVESTMENT SOLICITATION PROCESS

4. **THIS COURT ORDERS** that the SISP attached as Schedule "A" is hereby approved and the Receiver and the Broker are hereby authorized and directed to implement the SISP pursuant to the terms thereof. The Receiver and the Broker are hereby authorized and directed to do all things reasonably necessary or desirable to give full effect to the SISP and to perform their respective

obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction(s) under the SISP.

5. **THIS COURT ORDERS** that the Receiver, the Broker and their respective affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of any such person (with respect to such person alone), in performing their obligations under the SISP, as determined by this Court in a final order that is not subject to appeal or other review and all rights to seek any such appeal or other review shall have expired.

6. **THIS COURT ORDERS** that in overseeing the SISP, the Receiver shall have all of the benefits and protections granted to it pursuant to the Receivership Order, any other Order of this Court in the within proceedings, or otherwise provided by law.

7. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in connection with the SISP or the implementation thereof.

PIPEDA

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Receiver, the Broker and their respective advisors are hereby authorized and permitted to disclose and transfer to Participating Bidders and their respective advisors personal information of identifiable individuals, but only to the extent required to facilitate diligence in respect of, negotiate or attempt to complete a transaction pursuant to the

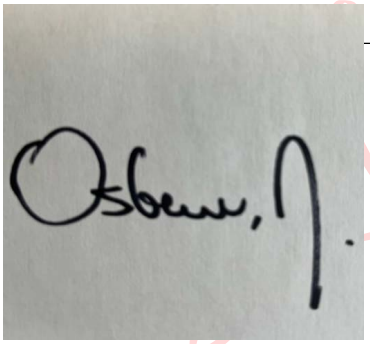
SISP (a "**Transaction**"). Each Participating Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Receiver, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Receiver. Any bidder with a Successful Bid shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Project and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Receiver, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Receiver.

GENERAL

9. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

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

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



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SCHEDULE "A"
SALE AND INVESTMENT SOLICITATION PROCESS

Attached.

"THE ONE"
SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

On October 18, 2023, pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), Alvarez & Marsal Canada Inc. was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc. (collectively, 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 a mixed-use tower located at the southwest corner of Yonge Street and Bloor Street West in Toronto, Ontario and legally described on Schedule "A" hereto (the "**Project**") and the Project itself, including all proceeds thereof (collectively, the "**Property**").

On June 6, 2024, the Court approved the sale and investment solicitation process set forth herein (the "**SISP**"). The purpose of the SISP is to seek and implement proposal(s) from Participating Bidders for a Transaction Proposal or a Development Proposal (each as defined below) that would maximize the value of the Project and continue its construction and development to completion for the benefit of stakeholders. The Receiver has retained Jones Lang LaSalle Real Estate Services, Inc. (the "**Broker**") to assist in the development and execution of the SISP and related marketing strategy.

The SISP sets out the following, among other things:

a. the Opportunities available to Participating Bidders, being a Transaction Proposal or a Development Proposal (each as defined and described below); the manner in which the SISP will be implemented and supervised; and the manner in which notice of the Opportunities will be provided and interest solicited;

b. the timelines and process for Phase 1 of the SISP ("**Phase 1**"), including the manner in which Potential Bidders may become Participating Bidders and complete initial due diligence; the timing for submitting non-binding LOIs; the requirements to be considered a Qualified LOI, including, in the case of a Transaction Proposal, meeting the Minimum Bid Threshold of $1.2 billion; and the manner in which Qualified LOIs will be considered and assessed;

c. the timelines and process for Phase 2 of the SISP, if implemented ("**Phase 2**"), including the completion of additional due diligence; the timing for submitting Final Bids; the requirements to be considered a Qualified Bid; and the criteria for considering, assessing and selecting a Successful Bid; and

d. the timing and process for Court approval of a Successful Bid.

Defined Terms

1. Capitalized terms used in the SISP have the meanings given to them herein and as set out in Appendix "A" hereto.

Opportunities

2. The SISP is intended to solicit interest in the opportunity to:

   (a) acquire or invest in the Project (or either of the Residential Component or the Commercial Component) pursuant to one or more sale or investment transactions (a "**Transaction Proposal**") that individually or in the aggregate have a purchase price or investment amount equal to or exceeding $1.2 billion, payable in full and in cash on the closing of the transaction (or payable in such other form of consideration acceptable to the Senior Secured Lenders in their sole discretion) (the "**Minimum Bid Threshold**"); or

   (b) enter into an arrangement with the Senior Secured Lenders to complete the construction, development and realization of value from the Project on terms acceptable to each of the Receiver and the Senior Secured Lenders (a "**Development Proposal**", and together with the Transaction Proposal, the "**Opportunities**" and each an "**Opportunity**").

3. Each of the foregoing Opportunities will be presented and implemented on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Companies, the Receiver, the Broker or any of their respective Affiliates, agents or estates, except to the extent set forth in a definitive final agreement executed with a Successful Bidder and approved by the Court.

4. Participating Bidders must rely solely on their own independent review, investigation and/or inspection of all information in respect of the Project in connection with their participation in the SISP and any transaction they enter into in respect of the Project.

Timeline

5. The following table provides a high-level summary of the key stages and milestones (each, a "**Milestone**") under the SISP:

Milestone	Date(s)
Phase 1: Formal Marketing Process and Initial Due Diligence Period	June 6, 2024 – July 30, 2024
Phase 1 Bid Deadline	July 30, 2024
Phase 2: Due Diligence Period for Qualified Bidders	August 13, 2024 – September 24, 2024
Phase 2 Bid Deadline	September 24, 2024
Court Approval of Successful Bid	Not later than the week of October 14, 2024 (subject to Court availability)

Any of the Milestones may be extended by the Receiver if it considers it appropriate to do so, after consultation with the Broker and with the consent of the Senior Secured Lenders.

Any extensions to the Milestones will be communicated to all known Participating Bidders or Qualified Bidders at the relevant time and such extensions shall be posted on the website the Receiver maintains in respect of these receivership proceedings at https://www.alvarezandmarsal.com/theone (the "**Receiver's Website**").

Supervision of and Amendment to the SISP

6. The marketing of the Opportunities and discussions and negotiations with Potential Bidders and Participating Bidders in respect of same, as described in the SISP, will be conducted by the Broker on behalf of, and under the supervision of, the Receiver. For the avoidance of doubt, the Broker shall have no authority or ability to bind the Receiver and all decisions contemplated to be made hereunder shall be made by the Receiver.

7. The Receiver, after consultation with the Broker and the Senior Secured Lenders, shall have the right to modify the existing terms, conditions or requirements for the SISP or adopt such other terms, conditions or requirements for the SISP (including terms, conditions or requirements that may depart from those set forth herein), that in its reasonable business judgement will better promote the purpose of the SISP; provided that the adoption of any terms, conditions or requirements that materially deviate from the SISP shall require the prior consent of the Senior Secured Lenders or an order of the Court.

Notice and Solicitation of Interest

8. As soon as reasonably practicable after the granting of an order approving the SISP (the "**SISP Approval Order**"), but in any event no more than five (5) Business Days after the issuance of the SISP Approval Order, the Broker and the Receiver will:

   (a) prepare a list of potential bidders for each Opportunity (a "**Bidder List**");

   (b) prepare a marketing brochure (the "**Brochure**") describing the Opportunities and a form of non-disclosure agreement to be signed by Potential Bidders (the "**NDA**");

   (c) prepare a confidential information memorandum (the "**CIM**") with detailed Project information to be provided to Potential Bidders who have signed the NDA; and

   (d) cause a notice of the SISP (and such other relevant information which the Broker and the Receiver consider appropriate) to be posted on the Receiver's Website.

9. Thereafter, the Broker, with the assistance of the Receiver, will send the Brochure and the NDA to: (a) all parties on the Bidder List; and (b) any other party who wishes to participate in the SISP who requests a copy of the Brochure or is identified to the Broker or the Receiver as a potential bidder (each party in (a) and (b) being a "**Potential Bidder**"). The CIM will be delivered to Participating Bidders following delivery of their signed NDA.

SISP – Phase 1

10. During Phase 1, the Broker (under the supervision of the Receiver and in accordance with the SISP) will solicit non-binding indications of interest in the form of non-binding letters of intent ("**LOIs**") from Potential Bidders in respect of each Opportunity.

11. A Potential Bidder will be deemed to be a "**Participating Bidder**" if it delivers an executed NDA to the Receiver and the Broker. At any time during Phase 1 or Phase 2, the Receiver may, in its reasonable business judgment, and after consultation with the Senior Secured Lenders, eliminate a Participating Bidder from the SISP, in which case such bidder will no longer be a Participating Bidder for the purposes of the SISP.

Due Diligence

12. The Broker will provide each Participating Bidder with a copy of the CIM and access to an electronic data room developed for Phase 1 which shall contain certain due diligence information in respect of the Project. Each Participating Bidder will also be provided with access to such other due diligence materials, information and opportunities relating to the Project as the Receiver, in its reasonable business judgment, in consultation with the Broker, determines necessary or appropriate from time to time, subject to paragraph 14 below.

13. At the request of a Participating Bidder, the legal and financial advisor(s) and/or financing sources of such Participating Bidder may also be granted access to the materials and information described in paragraph 12 provided that, in each case, any such advisor or financing source (a) is reasonably acceptable to the Broker and the Receiver; and (b) has executed or is bound by an NDA, or is subject to an alternative confidentiality arrangement acceptable to the Receiver.

14. The Receiver and the Broker reserve the right to restrict any Participating Bidder's access to selected due diligence information or materials at any time during Phase 1 or Phase 2, where such information or materials contain proprietary or sensitive competitive information and the Receiver determines, in its reasonable business judgement, that a Participating Bidder's access to such information or materials may have a negative impact on the conduct of the SISP or is otherwise not in best interests of the Companies or their stakeholders.

15. The Receiver and the Broker, and their respective contractors, advisors, consultants and lawyers, make no representation or warranty as to the accuracy or completeness of the information: (a) contained in the Brochure, the CIM, the SISP or any electronic data room; (b) provided through the due diligence process in Phase 1 or Phase 2; or (c) otherwise made available, except to the extent expressly specified in any definitive agreement with a Successful Bidder executed and delivered in respect of an Opportunity.

16. At no stage of the SISP shall any Participating Bidder make contact, directly or indirectly, with any directors, officers or principals of the Companies, the Unit Purchasers, entities who have or are continuing to provide goods or services in relation to the construction or development of the Project, including, without limitation, current or former construction

managers, general contractors, developers, subcontractors and consultants of the Project (collectively, the "**Suppliers**"), lien claimants (if any) or other creditors of the Project or their representatives with respect to any Opportunity, without the express prior written consent of the Receiver; provided that Participating Bidders seeking to develop and submit a Development Proposal shall, subject to the Receiver having been given prior written notice, be given appropriate access to the Senior Secured Lenders and their advisors.

Non-Binding Letters of Intent from Participating Bidders

17. A Participating Bidder that wishes to pursue an Opportunity must deliver an LOI in respect of such Opportunity by no later than 5:00 pm (Toronto time) on July 30, 2024 (the "**Phase 1 Bid Deadline**"), to the Receiver at sferguson@alvarezandmarsal.com and jnevsky@alvarezandmarsal.com, and to the Broker at Matt.Picken@jll.com.

Qualified LOIs

18. A LOI will be considered a qualified LOI (a "**Qualified LOI**") only if it meets the following criteria:

(a) the LOI is submitted by a Participating Bidder and received by the Broker and the Receiver on or before the Phase 1 Bid Deadline;

(b) the LOI sets forth the identity of the Participating Bidder and full disclosure of any (i) entities and/or individuals that control the Participating Bidder or hold the power, directly or indirectly, to cause the direction of the management and/or policies of the Participating Bidder; and (ii) shareholders, unitholders, economic interest holders and/or beneficiaries of the Participating Bidder and/or the beneficial owner (if any), holding, directly or indirectly, the shares, units and/or interests of the Participating Bidder and/or of the beneficial owner thereof (if any);

(c) the LOI contains an indication of whether the Participating Bidder is making a Transaction Proposal or a Development Proposal;

(d) in the case of a Transaction Proposal:

(i) the purchase price or investment amount is equal to or exceeds the Minimum Bid Threshold (or, in the case of a Transaction Proposal for the Residential Component or the Commercial Component only, the purchase price or investment amount would, if combined with a Transaction Proposal for the other component(s) of the Project by a third party Participating Bidder, equal or exceed the Minimum Bid Threshold); and

(ii) the LOI identifies or contains the following:

(A) a detailed description of the Participating Bidder's experience and expertise in the development and operation of large mixed-use, high-rise development projects in urban centres, including current and future development projects, and whether it is registered with

Tarion Warranty Corporation and the Home Construction Regulatory Authority as a builder and/or vendor;

(B) a description of the proposed purchaser or purchasers, investor or investors, as the case may be, each of which must be a Participating Bidder;

(C) identifies if the Participating Bidder seeks to acquire the entire Project, or the Residential Component or the Commercial Component and how the Participating Bidder intends to complete the construction and development of the Project;

(D) the purchase price or investment amount in Canadian dollars, including details of any liabilities to be assumed by the Participating Bidder;

(E) a specific indication of the sources of financing for the transaction and preliminary evidence of the sources and availability of such financing, steps necessary and associated timing to obtain such financing and any related contingencies, as applicable, and such other financial information that will allow the Receiver, in consultation with the Broker and the Receiver's lawyers, to make a reasonable business judgment as to the Participating Bidder's ability to consummate the proposed transaction;

(F) if applicable, the underlying assumptions regarding the ongoing carrying and construction costs and proposed term of any ongoing financing for the Project;

(G) any anticipated corporate, unitholder, shareholder, internal or regulatory approvals required to make a binding offer and close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals and closing the transaction;

(H) specific statements concerning the proposed treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any);

(I) additional due diligence required to be conducted during Phase 2, if any;

(J) any material conditions to closing that the Participating Bidder anticipates will be required to consummate the proposed transaction; and

(K) anticipated timing of closing of the proposed transaction;

(e) in the case of a Development Proposal:

(i) the proposal is acceptable (solely for purposes of proceeding to Phase 2) to the Senior Secured Lenders in their sole and absolute discretion; and

(ii) the LOI identifies or contains the following:

(A) a detailed description of the Participating Bidder's experience and expertise in the development of large mixed-use, high-rise development projects in urban centres, including current and future development projects, and whether it is registered with Tarion Warranty Corporation or the Home Construction Regulatory Authority as a builder and/or vendor;

(B) a detailed description of the structure of the proposed arrangement and related transaction, including any proposed investment in the Project; the specific terms of any proposed ongoing financing (which may include proposed financing arranged by the Senior Secured Lenders), including the interest rate, term, debt service or other fees, redemption, prepayment or repayment attributes and any other material attributes; and any fees, entitlements, interests or other consideration sought by the Participating Bidder in connection with the Development Proposal;

(C) a specific indication of the sources of financing for the arrangement and related transaction (which may include proposed financing arranged by the Senior Secured Lenders), if any, and preliminary evidence of the sources and availability of such financing, steps necessary and associated timing to obtain such financing and any related contingencies, as applicable, and such other financial information that will allow the Receiver, in consultation with the Broker and the Receiver's lawyers, to make a reasonable business judgment as to the Participating Bidder's ability to enter into the arrangement and close the related transaction;

(D) a preliminary description of the Participating Bidder's plans for the development of the Project (the "**Development Plan**") which may include: (i) a pro forma model and estimated timeline to complete construction of the Project; (ii) any proposed construction changes and the impacts, if any, on the construction schedule; (iii) proposed sales, marketing and branding strategies for the Residential Component; (iv) the proposed business plan for the Commercial Component of the Project, including the hotel, restaurant and parking components;

(E) the underlying assumptions regarding the ongoing carrying and construction costs and proposed term of any ongoing financing;

(F) any anticipated corporate, unitholder, shareholder, internal or regulatory approvals required to enter into the arrangement and close the related transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals and closing the transaction;

(G) specific statements concerning the proposed treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any);

(H) additional due diligence required to be conducted during Phase 2, if any;

(I) any material conditions to closing that the Participating Bidder anticipates will be required to consummate the proposed transaction; and

(J) anticipated timing of closing of the proposed transaction; and

(f) it includes any other terms or conditions of the Transaction Proposal or Development Proposal which the Participating Bidder believes are material to the transaction and such other information as may have been reasonably requested by the Receiver, in consultation with the Broker and the Senior Secured Lenders.

19. The Receiver, in consultation with the Broker, may waive compliance with any one or more of the requirements specified above and deem any such non-compliant LOI to be a Qualified LOI; provided that the consent of the Senior Secured Lenders shall be required to waive the requirements set forth in subparagraphs 18(d)(i) and 18(e)(i). For the avoidance of doubt, the completion of any Transaction Proposal or Development Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Phase 1 Assessment of LOIs and Continuation or Termination of SISP

20. Within seven (7) Business Days following the Phase 1 Bid Deadline (or such later date as may be determined by the Receiver in consultation with the Broker and the Senior Secured Lenders) (the "**Phase 1 Assessment Date**"), the Receiver, in consultation with the Broker and the Senior Secured Lenders:

(a) will review the LOIs received to determine whether they are Qualified LOIs that meet the criteria set out in paragraph 18;

(b) will assess the Qualified LOIs to determine whether there is a reasonable prospect of obtaining a Qualified Bid, as defined and described below; and

(c) to the extent required, may request clarification of the terms of Qualified LOIs (or, for the avoidance of doubt, any LOIs to determine if they are Qualified LOIs).

21. In assessing the Qualified LOIs to determine whether there is a reasonable prospect of obtaining a Qualified Bid, the Receiver, in consultation with the Broker and the Senior Secured Lenders, will consider, among other things, the following, as applicable to each Opportunity:

    (a) the form and amount of consideration offered, including, in the case of a Transaction Proposal, whether it will equal or exceed the Minimum Bid Threshold, and the timing of receipt of such consideration;

    (b) the demonstrated financial capability of the Participating Bidder to consummate the proposed transaction and its relevant experience and expertise, including the Participating Bidder's experience with the development and operation of large mixed-use, high-rise development projects in urban centres, whether it is registered with Tarion Warranty Corporation and the Home Construction Regulatory Authority as a builder and/or vendor, as well as its capacity to obtain financing for such a transaction;

    (c) whether the Participating Bidder is considered by the Receiver, in its sole and absolute judgement, following consultation with the Broker and the Senior Secured Lenders, to be able to consummate the proposed transaction in an efficient and timely manner following Court approval thereof;

    (d) any and all proposed conditions to the transaction remaining and the steps to be taken to address them prior to the Phase 2 Bid Deadline;

    (e) the terms and conditions of any proposed treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any), as may be contemplated by the proposed transaction;

    (f) the estimated time required to complete the proposed transaction and whether, in the Receiver's reasonable business judgment, it is reasonably likely to close in accordance with such estimate; and

    (g) the Qualified Bid Requirements set out below.

22. If one or more Qualified LOIs are received and the Receiver, in consultation with the Broker and the Senior Secured Lenders, determines there is a reasonable prospect of obtaining a Qualified Bid, the SISP shall continue into the second phase in accordance with the Phase 2 SISP procedures. In making such determination, the Receiver may consider: (a) whether separate LOIs for a Transaction Proposal for the Residential Component and the Commercial Component could, collectively, result in a reasonable prospect of obtaining a Qualified Bid; or (b) whether separate LOIs for a Transaction Proposal for the Commercial Component and a Development Proposal for the Residential Component could, collectively, result in a reasonable prospect of obtaining a Qualified Bid.

23. If the Receiver, in consultation with the Broker and the Senior Secured Lenders, determines that (a) no Qualified LOI has been received, or (b) there is no reasonable prospect of a Qualified LOI resulting in a Qualified Bid, then the Receiver may give notice of the

termination of the SISP by email to the Service List and Participating Bidders who submitted LOIs.

SISP – Phase 2

24. In the event the SISP proceeds to Phase 2, the Receiver, in consultation with the Broker, will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), and the Bid Process Letter will be sent to all Participating Bidders who submitted Qualified LOIs and have been selected by the Receiver to participate in Phase 2 ("**Qualified Bidders**").

25. Phase 2 of the SISP shall include the opportunity for Qualified Bidders to: (a) conduct additional diligence; and (b) prepare and submit a Final Bid on or before the Phase 2 Bid Deadline. During Phase 2, each Qualified Bidder will be granted access to an electronic data room developed for Phase 2, the Form of Transaction Agreement and such further due diligence materials and information relating to the Project, if any, as the Receiver, in its reasonable business judgment, in consultation with the Broker, determines appropriate, subject to paragraph 14 above. At the request of a Qualified Bidder, the legal and financial advisor(s) and/or financing sources of such Qualified Bidder, may also be granted access to the materials and information described in this paragraph 25 provided that, in each case, any such advisor or financing source (i) is reasonably acceptable to the Broker and the Receiver; and (ii) has executed or is bound by an NDA, or is subject to an alternative confidentiality arrangement acceptable to the Receiver.

Final Bids from Participating Bidders

26. A Qualified Bidder that wishes to pursue a Transaction Proposal or a Development Proposal must deliver a final binding proposal (the "**Final Bid**") containing:

    (a) in the case of a Transaction Proposal, a duly authorized and executed transaction agreement setting out the definitive terms and conditions of the Transaction Proposal based on the Form of Transaction Agreement and accompanied by a mark-up of the Form of Transaction Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto; or

    (b) in the case of a Development Proposal, a duly authorized and executed transaction agreement setting out the definitive terms and conditions of the Development Proposal, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto,

    by no later than 5:00 pm (Toronto time) on September 24, 2024 (the "**Phase 2 Bid Deadline**"), to the Receiver at sferguson@alvarezandmarsal.com and jnevsky@alvarezandmarsal.com, and to the Broker at Matt.Picken@jll.com.

Qualified Bids

27. A Final Bid will be considered a qualified Final Bid (a "**Qualified Bid**") only if it is received by the Phase 2 Bid Deadline and complies with, among other things, the following requirements (the "**Qualified Bid Requirements**"):

(a) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the earlier of (i) the approval by the Court of a Successful Bid; and (ii) 60 days following the Phase 2 Bid Deadline, provided that if such Qualified Bidder is selected as the Successful Bidder, its offer will remain irrevocable until the closing of the transaction with such Successful Bidder;

(b) it includes the amount to be paid, invested or financed, as applicable, and written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Receiver, in consultation with the Broker and the Senior Secured Lenders, to make a reasonable determination as to the Participating Bidder's financial and other capabilities to consummate the transaction contemplated by its Final Bid;

(c) in respect of a Transaction Proposal:

(i) it sets out: (i) the purchase price or investment amount; and (ii) full details regarding the Property to be included and any Property to be excluded from the bid; and

(ii) the purchase price or investment amount is equal to or exceeds the Minimum Bid Threshold (or, in the case of a Transaction Proposal for the Residential Component or the Commercial Component only, the purchase price or investment amount would, if combined with a Transaction Proposal for the other component(s) of the Project, equal or exceed the Minimum Bid Threshold); and

(iii) it includes details of any liabilities to be assumed by the Qualified Bidder;

(d) in respect of a Development Proposal:

(i) it sets out, as applicable: (i) any proposed investment in the Project; (ii) the specific terms of any proposed ongoing financing, including the interest rate, term, debt service or other fees, redemption, prepayment or repayment attributes and any other material attributes; and (iii) any fees, entitlements, interests or other consideration sought by the Participating Bidder in connection with the Development Proposal;

(ii) it includes the Participating Bidder's final proposed Development Plan; and

(iii) it is acceptable to the Senior Secured Lenders in their sole and absolute discretion;

(e) it is not conditional upon:

(i) approval from the Qualified Bidder's board of directors (or comparable governing body) or equity holder(s);

(ii) the outcome of any due diligence by the Qualified Bidder; or

(iii) the Qualified Bidder obtaining financing;

(f) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;

(g) it includes a statement that the Qualified Bidder will bear its own costs and expenses (including all legal and advisor fees) in connection with the proposed transaction, and by submitting its bid, is agreeing to refrain from and waive any assertion or request for reimbursement on any basis;

(h) it identifies any regulatory and other approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;

(i) it identifies with particularity the purchase agreements with Unit Purchasers, leases and other contracts the bidder wishes to assume or reject, contains full details of the bidder's proposal for the treatment of such purchase agreements with Unit Purchasers, leases and other contracts; and it identifies with particularity any contract the assignment of which is a condition to closing;

(j) it provides a timeline to closing with critical milestones, if any;

(k) it includes evidence, in form and substance reasonably satisfactory to the Receiver, the Broker and the Senior Secured Lenders, of irrevocable authorization and approval from the Participating Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Final Bid;

(l) it is accompanied by a deposit (the "**Deposit**") in the form and in such amount as will be determined by the Receiver in consultation with the Broker based on the forms of Qualified LOIs received and set out in the Bid Process Letter;

(m) it includes an acknowledgment and representation that the Qualified Bidder: (i) has not engaged in any collusion with respect to the SISP and its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bidder; (ii) had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid; (iii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver, the Broker, the

Senior Secured Lenders and their respective employees, officers, directors, agents, advisors (including lawyers) and other representatives, regarding the proposed transaction, this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents; (iv) is making its bid on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Companies, the Receiver, the Broker or any of their respective employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed transaction documents; (v) is bound by this SISP and the SISP Approval Order; and (vi) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the SISP or its bid;

(n) it contains such other information as may be reasonably requested by the Receiver, in consultation with the Broker and the Senior Secured Lenders; and

(o) the Receiver, following consultation with the Broker and the Senior Secured Lenders, determines that in its reasonable business judgment it is likely that the Qualified Bidder will be able to consummate the proposed transaction in a manner that complies with all requirements of the SISP.

28. The Receiver, in consultation with the Broker and the Senior Secured Lenders, may waive compliance with any one or more of the requirements specified above and deem such non-compliant Final Bids to be Qualified Bids; provided that the consent of the Senior Secured Lenders shall be required to waive the requirements set forth in subparagraphs 27(c)(ii), 27(d)(iii) and 27(l).

Evaluation and Selection of Successful Bid

29. The Receiver, in consultation with the Broker and the Senior Secured Lenders, will review each Final Bid and, if one or more Qualified Bids is received, the Receiver, exercising its reasonable business judgment and following consultation with the Broker and the Senior Secured Lenders, may:

(a) negotiate with one or more of the bidders who submitted a Qualified Bid, including requesting that such bidder improve or otherwise modify the terms of its Qualified Bid (and any such improved or modified Qualified Bid shall be deemed a Qualified Bid for all purposes under this SISP); and

(b) select the Qualified Bid that it considers to be the best bid (the "**Selected Qualified Bid**").

30. In evaluating the Qualified Bids to select the Selected Qualified Bid:

(a) evaluation criteria with respect to a Transaction Proposal may include, but are not limited to, items such as: (i) the purchase price or proposed investment and net value of the transaction (including assumed liabilities and other obligations to be performed by the bidder) and the resulting recoveries for stakeholders; (ii) the firm,

irrevocable commitment for financing the transaction and completing construction of the Project; (iii) the counterparties to the transaction; (iv) the terms of the transaction documents; (v) other factors affecting the speed, certainty and value of the transaction; (vi) planned treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any); (vii) the Property included or excluded from the bid; (viii) any transition services required post-closing and any related restructuring costs; and (ix) the likelihood and timing of consummating the transaction; and

(b) evaluation criteria with respect to a Development Proposal may include, but are not limited to, items such as: (i) the amount of any investment and the proposed sources and uses of such capital contemplated by the proposed transaction; (ii) the firm, irrevocable commitment for any financing contemplated by the proposed transaction and completing the construction and development of the Project; (iii) the fees, entitlements, interests or other consideration sought by the Participating Bidder in connection with the Development Proposal; (iv) the counterparties to the transaction; (v) the terms of the transaction documents; (vi) other factors affecting the speed, simplicity of execution, certainty and value of the transaction; (vii) the Development Plan; (viii) planned treatment of stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and lien claimants (if any); (ix) the likelihood and timing of consummating the transaction; and (x) the Senior Secured Lenders' evaluation of a Development Proposal.

31. The Receiver may, following consultation with the Broker, the Senior Secured Lenders and the relevant Participating Bidders, combine a Qualified Bid in respect of a Transaction Proposal for the Residential Component with a Qualified Bid in respect of a Transaction Proposal for the Commercial Component and designate such combined Qualified Bids as the Selected Qualified Bid, subject to the combined Qualified Bids equalling or exceeding the Minimum Bid Threshold. The Receiver may also, following consultation with the Broker and the relevant Participating Bidders, and with the consent of the Senior Secured Lenders, combine a Qualified Bid in respect of a Transaction Proposal for the Commercial Component with a Qualified Bid in respect of a Development Proposal and designate such combined Qualified Bid as the Selected Successful Bid.

32. Notwithstanding any other provision hereof, no Development Proposal shall be selected as the Selected Qualified Bid without the consent of the Senior Secured Lenders.

33. Once a Selected Qualified Bid has been selected, the Broker and the Receiver, in consultation with the Senior Secured Lenders and their advisors, shall negotiate and settle the terms of a definitive agreement in respect of the Selected Qualified Bid, all of which will be conditional upon Court approval at which time the Selected Qualified Bid will be the "**Successful Bid**" hereunder and the person(s) who made the Selected Qualified Bid will be the "**Successful Bidder**" hereunder.

34. If the Receiver, after consultation with the Broker and the Senior Secured Lenders: (a) determines, at any point during Phase 2, that there is no reasonable prospect of obtaining a Final Bid resulting in a Qualified Bid; or (b) determines that no Qualified Bid has been

received at the end of Phase 2, then the Receiver, with the consent of the Senior Secured Lenders, may designate one or more Final Bids as Qualified Bids; failing which the Receiver may give notice of the termination of the SISP by email to the Service List and Qualified Bidders who submitted Final Bids.

Approval Motion for Successful Bid

35. The Receiver will make a motion to the Court (the "**Approval Motion**") for an order approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid.

36. The Approval Motion will be held on a date to be scheduled by the Court at the request of the Receiver.

37. All Qualified Bids other than the Successful Bid will be deemed rejected on the date of approval of the Successful Bid by the Court.

Other Terms

Deposits

38. Deposits will be retained by the Receiver and invested in an interest-bearing account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable. Any Deposits (plus applicable interest) of Participating Bidders not selected as the Successful Bidder will be returned to such bidders within ten (10) Business Days of the date upon which the Successful Bid is approved by the Court.

Secured Creditor Participation

39. Any Secured Creditor shall have the right to credit bid its secured debt against the assets secured thereby, including principal, interest and any other secured obligations owing to such Secured Creditor by the Companies; provided that any such Secured Creditor shall be required to pay in full in cash on the closing of any transaction any obligations in priority to its secured debt (unless the holder of such priority obligation agrees to accept a lower payment than the total amount of obligations owed to them) and the reasonable fees and expenses of the Receiver necessary to conclude the receivership proceedings.

40. If any Secured Creditor or an Affiliate thereof intends to participate as a Potential Bidder in the SISP (whether through a credit bid or otherwise), such Secured Creditor and its Affiliates shall be required to comply with all terms and conditions of the SISP, in the same manner as would any other Potential Bidder.

41. The Senior Secured Lenders have irrevocably confirmed to the Receiver that they will not be submitting a bid in the SISP; provided they reserve the right to submit a bid (including

but not limited to a credit bid) if the SISP is terminated. Accordingly, the Senior Secured Lenders shall be entitled to receive all confidential information in respect of the SISP, including copies of all LOIs, Qualified LOIs and Final Bids.

General

42. The Receiver reserves the right: (a) not to accept any Qualified Bid or to otherwise terminate the SISP; and (b) to deal with one or more bidders to the exclusion of others.

43. The Receiver shall be permitted, in its discretion, to provide general updates and summary information in respect of the SISP to any Secured Creditor of the Companies and its legal and financial advisors, if applicable, on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Secured Creditor that neither it nor any Affiliate thereof will participate as a bidder in the SISP (or, if such Secured Creditor or its Affiliate has participated as a bidder in the SISP, the irrevocable confirmation in writing that it is withdrawing as a bidder in the SISP and will no longer participate as a bidder); and (b) such Secured Creditor executing a confidentiality agreement in form and substance satisfactory to the Receiver.

44. The SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Receiver, the Broker, the Senior Secured Lenders or the Companies and any Participating Bidder, other than as specifically set forth in a definitive agreement that may be signed in respect of the Project.

45. At any time during the SISP the Receiver may, upon reasonable prior notice to the Service List, apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder or to seek advice and directions with respect to the SISP and/or any proposal received pursuant to the SISP.

SCHEDULE "A"
LEGAL DESCRIPTION[1]

PIN: 21109-0244 (LT)

Description: FIRSTLY: PT PARKLT 9 CON 1 FTB TWP OF YORK AS IN EP145729 EXCEPT THE EASEMENT THEREIN; SUBJECT TO AN EASEMENT AS IN AT5101384; SECONDLY: PT PARKLT 9 CON 1 FTB TWP OF YORK AS IN EP93304 EXCEPT THE EASEMENT THEREIN; SUBJECT TO AN EASEMENT AS IN AT5101384; THIRDLY: PT PARKLT 9 CON 1 FTB TWP OF YORK PT 1 64R16532; SUBJECT TO AN EASEMENT AS IN AT5101384; FOURTHLY: PT PARKLT 9 CON 1 FTB TWP OF YORK PT 163R658; SUBJECT TO AN EASEMENT AS IN AT5101384; FIFTHLY: PT PARKLT 9 CON 1 FTB TWP OF YORK AS IN CA703847; SUBJECT TO AN EASEMENT AS IN AT5101384; SIXTHLY: PT PARKLT 9 CON 1 FTB TWP OF YORK AS IN CT277770; SUBJECT TO AN EASEMENT AS IN AT5101384; SEVENTLY: FIRSTLY: PT PARK LT 9 CON 1 FTB TWP OF YORK, AS IN EP142034 AND SECONDLY: PT PT PARK LT 9 CON 1 FTB TWP OF YORK DESIGNATED AS PT 15 ON PL 63R-3142, SAVE AND EXCEPT PART 2 ON PLAN 66R-32221; SUBJECT TO AN EASEMENT AS IN AT5101384; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 7 AND 8 ON PLAN 66R-32221 AS IN AT6077647; SUBJECT TO AN EASEMENT OVER PARTS 4, 5 AND 6 ON PLAN 66R-32221 AS IN AT6077654; TOGETHER WITH AN EASEMENT OVER PART OF PARK LOT 9, CONCESSION 1 FROM THE BAY (YORK) DESIGNATED AS PART 2 ON PLAN 66R-32221 AS IN AT6077634; SUBJECT TO AN EASEMENT OVER PART 3 ON PLAN 66R-32221 IN FAVOUR OF PART OF PARK LOT 9, CONCESSION 1 FROM THE BAY (YORK) DESIGNATED AS PART 2 ON PLAN 66R-32221 AS IN AT6077634; SUBJECT TO AN EASEMENT AS IN AT6227322; CITY OF TORONTO

[1] On May 22, 2024, a transfer was registered to effect a severance of the Residential Component and the Commercial Component. Updated PINs and legal descriptions will be made available to Participating Bidders when available.

APPENDIX "A"
DEFINED TERMS

The following capitalized terms have the following meanings when used in the SISP:

(a) "**Affiliate**" means, in respect of any Person (in this definition, such Person being referred to as the "**Subject Person**"), (i) any other Person, directly or indirectly, Controlling, Controlled by, or under direct or indirect common Control with, the Subject Person; or (ii) any other Person under the direct or indirect Control of the same Person, or group of Persons, as Control the Subject Person, including by virtue of such "Controlling" Person having substantially the same ownership over the Subject Person and such other Person.

(b) "**Approval Motion**" is defined in paragraph 35.

(c) "**Bidder List**" is defined in paragraph 8(a).

(d) "**Brochure**" is defined in paragraph 8(b).

(e) "**Broker**" is defined in the Introduction.

(f) "**Business Day**" means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Toronto, Ontario.

(g) "**CIM**" is defined in paragraph 8(c).

(h) "**Commercial Component**" means that part of the Project comprised of the underground parking space, the concourse and ground floor retail space, the space on level three (3) of the Project currently designed for a restaurant, and the spaces on levels five (5) and seven (7) through sixteen (16) of the Project currently designed for a hotel.

(i) "**Companies**" is defined in the Introduction.

(j) "**Control**" or "**control**" means, for the purpose of the definition of Affiliate, that in order to control a Person (in this definition, such Person being referred to as the "**Subject Person**"), another Person must have the power to control and direct the management and/or policies of the Subject Person, directly or indirectly, whether through the ownership or control of voting securities, voting rights, family relationship, contract or otherwise and a Person who controls a Subject Person is deemed to control any Person which is controlled, or deemed to be controlled, by the Subject Person, and the words "Controlled", "controlled", "Controlling" and "controlling" have corresponding meanings.

(k) "**Court**" means the Ontario Superior Court of Justice (Commercial List).

(l) "**Deposit**" is defined in paragraph 27(l).

(m) "**Development Plan**" is defined in paragraph 18(e)(ii)(D).

(n) "**Development Proposal**" is defined in paragraph 2(b).

(o) "**Final Bid**" is defined in paragraph 26.

(p) "**Form of Transaction Agreement**" means the form of transaction agreement to be developed by the Receiver in consultation with the Broker, in form and substance satisfactory to the Senior Secured Lenders and, in accordance with paragraph 26, provided to Qualified Bidders.

(q) "**LOIs**" is defined in paragraph 10.

(r) "**Minimum Bid Threshold**" is defined in paragraph 2(a).

(s) "**NDA**" is defined in paragraph 8(b).

(t) "**Opportunities**" and "**Opportunity**" are defined in paragraph 2.

(u) "**Participating Bidder**" is defined in paragraph 11.

(v) "**Phase 1**" is defined in the Introduction.

(w) "**Phase 1 Assessment Date**" is defined in paragraph 20.

(x) "**Phase 1 Bid Deadline**" is defined in paragraph 17.

(y) "**Phase 2**" is defined in the Introduction.

(z) "**Phase 2 Bid Deadline**" is defined in paragraph 26.

(aa) "**Potential Bidder**" is defined in paragraph 9.

(bb) "**Project**" is defined in the Introduction.

(cc) "**Property**" is defined in the Introduction.

(dd) "**Qualified Bid**" is defined in paragraph 27.

(ee) "**Qualified Bid Requirements**" is defined in paragraph 27.

(ff) "**Qualified LOI**" is defined in paragraph 18.

(gg) "**Receiver**" is defined in the Introduction.

(hh) "**Receivership Order**" is defined in the Introduction.

(ii) "**Residential Component**" means that part of the Project comprised of the residential suites occupying levels seventeen (17) through eighty-four (84) of the

Project, including a Wintergarden common amenity on level eighty-five (85) of the Project.

(jj) "**Secured Creditors**" means (i) the Senior Secured Lenders; (ii) Aviva Insurance Company of Canada; (iii) NongHyup Bank, in its capacity as trustee of Hana Private Real Estate Investment Trust No. 137; (iv) Coco International Inc.; and (v) CERIECO Canada Corp.

(kk) "**Selected Qualified Bid**" is defined in paragraph 29.

(ll) "**Senior Secured Lenders**" means, collectively, 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 IGIS Global Private Placement Real Estate Fund No. 530.

(mm) "**Service List**" means the service list for the receivership proceedings, as maintained by the Receiver, and available on the Receiver's Website.

(nn) "**SISP**" is defined in the Introduction.

(oo) "**Successful Bid**" is defined in paragraph 31.

(pp) "**Successful Bidder**" is defined in paragraph 31.

(qq) "**Transaction Proposal**" is defined in paragraph 2(a).

(rr) "**Unit Purchasers**" means any parties who have signed agreements of purchase and sale for the purchase of condominium units in the Project.

Electronically issued / Délivré par voie électronique : 12-Jun-2024
Toronto Superior Court of Justice / Cour supérieure de justice

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	**MIZRAHI COMMERCIAL (THE ONE) LP, et al.**	Court File No. CV-23-00707839-00CL
Applicant	Respondents	

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

SISP APPROVAL ORDER

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Brendan O'Neill LSO# 43331J
boneill@goodmans.ca

Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca

Jennifer Linde LSO#86996A
jlinde@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Receiver

APPENDIX "E"
SISP ENDORSEMENT

ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ENDORSEMENT

COURT FILE NO.:	**CV-23-00707839-00CL**	**Date:**	**June 11th, 2024**

NO. ON LIST: 1

TITLE OF PROCEEDING: **KEB Hana Bank v. Mizrahi Commercial (The One) LP., *et al***

BEFORE: **JUSTICE OSBORNE**

PARTICIPANT INFORMATION

APPLICANT:

Name of Person Appearing	Name of Party	Contact Info
Brendan O'Neill	Counsel for the Receiver	boneill@goodmans.ca
Chris Armstrong		carmstrong@goodmans.ca
Mark Dunn		mdunn@goodmans.ca
Jennifer Linde		jlinde@goodmans.ca
Stephen Ferguson	Receiver	sferguson@alvarezandmarsal.com
Josh Nevsky		jnevsky@alvarezandmarsal.com
Melanie Mackenzie		mmackenzie@alvarezandmarsal.com

RESPONDENTS:

Name of Person Appearing	Name of Party	Contact Info
David Bish	Counsel for Coco Parties	dbish@torys.com
Nina Perfetto		nperfetto@foglers.com
Steven Weisz	Counsel for the Respondent, Mizrahi Inc.	sweisz@cozen.com
David Trafford		dtrafford@morseshannon.com
Michael De Lellis Jeremy Dacks Shawn Irving	Counsel for the Applicant, KEB Hana Bank	mdelellis@osler.com jdacks@osler.com sirving@osler.com
Brittany Rabinovitch	Counsel for CERIECO Canada Corp.	brabinovitch@babinbessnerspry.com
Glenn Grenier Jeffrey Levine	Counsel for Gamma Windows and Walls International Inc.	glenn.grenier@mcmillan.ca jeffrey.levine@mcmillan.ca

Andrew Basso Aslan Farjam	Modern Niagara Toronto (Observing)	abasso@modernniagara.com afarjam@modernniagara.com
Chris Roberts	City of Toronto (Observing)	chris.roberts@toronto.ca

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ENDORSEMENT OF JUSTICE OSBORNE:

1. The Court-appointed Receiver seeks various relief on this motion, proposed to be granted in three orders of this Court:

    a. a proposed SISP Approval Order:

        i. approving a sale and investment solicitation process ("SISP");

        ii. authorizing and directing the Receiver and Jones Lang LaSalle Real Estate Services Inc. (the "Broker") to implement the SISP;

        iii. approving the Broker Agreement and the retention of the Broker under the terms thereof;

    b. a proposed Reconfiguration and LC Order:

        i. approving the Letters of Credit Arrangement pursuant to which the Receiver proposes to issue letters of credit in favour of the City of Toronto in respect of municipal requirements, together with related relief, including authority to use the Property and/or borrowings under the Receivership Funding Credit Agreement ("RFCA") to purchase such investments as may be required to fully collateralize the Replacement LCs and grant the Royal Bank of Canada ("RBC") a security interest in the RBC Collateral Account and the RBC Collateral;

        ii. granting to RBC a charge on the RBC Collateral Account in the RBC Collateral as additional security in connection with the letters of credit, which shall form a first charge on the RBC Collateral Account and the RBC Collateral;

        iii. approving the Reconfiguration Plan for the Residential Component of the Project to allow for the reconfiguration of level 62 and above to accommodate an additional 88 condominium units, together with related relief;

        iv. approving the Second Report and the activities of the Receiver described therein;

    c. a proposed Holdback Release Order:

        i. authorizing the Receiver to pay the Holdback Amount on behalf of the Nominee as specified in Appendix "C" to the Second Report, and to pay additional holdback amounts pursuant to the Provincial Lien Legislation owing to a Holdback Party as set out in the motion materials; in each case, subject to the Holdback Release Conditions being satisfied or waived; and

        ii. implementing a claims bar against the Holdback Amount (or to funds or entitlements in the place thereof), except for the payments of the Holdback Amount to the Holdback Parties, for the period prior to the Effective Date.

2. At the conclusion of the hearing, I granted the orders with reasons to follow. These are those reasons.

3. Defined terms in these reasons have the meaning given to them in my prior orders and endorsements made in this proceeding, in the motion materials or in the Second Report, unless otherwise stated.

4. The Receiver relies upon the Second Report of the Court-appointed Monitor, together with the appendices thereto, dated May 28, 2024.

5. The Service List has been served with the motion materials. The Reconfiguration and LC Arrangement Order is unopposed. The Holdback Release Order is unopposed by any party, as revised. This is discussed further below. The SISP Approval Order, in the form and on the terms proposed, is opposed by the Coco Parties.

6. I will address the three proposed orders in turn.

Reconfiguration and LC Arrangement Order

7. The proposed Reconfiguration and LC Arrangement Order is sought, obviously, mid-construction. The Project, an 85 story condominium, hotel and retail tower located at the southwest corner of Yonge Street and Bloor Street West, Toronto, is not complete.

8. As originally designed, the Project was intended to be comprised, when fully constructed, of a Commercial Component occupying four underground parking levels and 16 above ground levels comprised of a ground level and concourse retail spaces, food and beverage spaces on levels three and four, and a premium hotel space on levels five through 16, together with a Residential Component occupying levels 17 through 84 with an outdoor amenity space on level 85.

9. As of the date of this hearing, concrete tower slabs have been poured up to level 56, and the exterior curtain wall has been erected to level 26.

10. Consistent with the mandate given to the Receiver in the appointment order, it has assessed and evaluated various potential-maximizing opportunities and alternatives for the Project. Those include alternatives to the existing floorplate configuration of the Residential Component. In this context, the Receiver has developed the Reconfiguration Plan which contemplates that floors at level 62 and above in the Residential Component of the Project are proposed to be reconfigured to accommodate an additional 88 condominium units.

11. As more fully set out in the Second Report, the Receiver, in consultation with its advisors (including JLL and Skygrid), has determined that implementing the Reconfiguration Plan is necessary to improve the salability of condominium units in the Project and maximize value.

12. In the existing configuration, the Upper Levels (above level 61) include 69 units, with an average size of over 2600 ft.^{2} per unit. At present, those are the largest, most expensive units in the Project since there are only two or four units per floor (as opposed to six or 10 units per floor below level 62).

13. Of the Upper Level units, only 19 are subject to conditional sales agreements ("CSAs"). Of those, nine are in default with respect to the deposit requirements.

14. The Reconfiguration Advisors have concluded after extensive analysis that there is an extremely limited market for units of the size and sale price of those located in the Upper Levels under the Base Configuration, and that the timeline required to sell the volume of those Units that remain available would be significant. I pause to observe that this is, in part, illustrated by the fact that 72% of those Upper Level units remain unsold and, as noted above, nine (or almost half) of the 19 sold units are in deposit default.

15. In considering alternative configurations for the Upper Levels, the Reconfiguration Advisors, which include the proposed broker, JLL, Skygrid and the Project's architect and engineering consultants, among others, have considered various inputs including current market conditions, fair market values, anticipated rate of sales, as well as the limits of such reconfiguration presented by zoning and other municipal permit requirements and the existing infrastructure of the Project. They have done so while ensuring that any reconfiguration would maintain the Project's existing aesthetics, high-quality construction and luxury look and finishes.

16. After full consideration of all of these factors, and consultation with the Senior Secured Lenders, the Receiver has determined it is appropriate to proceed with the proposed Reconfiguration Plan to enhance the value of the Project.

17. To simplify the design and construction process, and importantly, to avoid impacting the Schedule, the design drawings are (for floors comprising four, six and ten Unit layouts) consistent with the respective layouts contemplated in the Base Configuration. The Receiver has prepared a cost-benefit analysis to compare the economic impact of the Reconfiguration Plan against the Base Consideration. It yields the conclusion that the Reconfiguration Plan is anticipated to generate substantial additional net realizable value, relative to the Base Configuration.

18. I also observe that the impact on existing Unit buyers will be relatively minor and the Reconfiguration Plan seeks to minimize any impact. As noted above, nine affected Units are in deposit default. As to the other 10 affected Units, the Reconfiguration Plan provides for virtually identical units (same square footage, exposure and layout) for 8 of them. I observe that it also provides for virtually identical units on a higher floor than contemplated under the Base Configuration in respect of 4 of the 9 Units in deposit default.

19. The Receiver continues to consider design alternatives to allow for the creation of Equivalent Units, or otherwise provide for an acceptable alternative, for the remaining two Qualified Units that do not have a specific location assigned under the Reconfiguration Plan. The Receiver is of the view, based on consultation with Skygrid and the consultants to the Project, that it is feasible from a design and constructability perspective to combine certain Units in the Reconfiguration Plan to provide an Equivalent Unit for each of the remaining two Qualified Units.

20. Finally, of the five Default Units for which there is no Equivalent Unit available, three of the purchaser parties had not paid any deposit at all, and the other two had each paid only $20,000 of their required deposits (which, at the time of the Second Report, totalled approximately $870,000 in one case, and over $6.2 million and the other case). Those purchasers are both in default according to the terms of the respective CSAs. Accordingly, for these and other reasons identified during its investigations and inquiries, the Receiver has significant concerns about whether the Defaulting Purchasers were or are willing or able to complete the sale transactions in any event. Those concerns are set out in the Second Report (paragraph 7.16).

21. As a result of these concerns, the Receiver sent default notices to the purchasers of each of the five Default Units for which there is no equivalent Unit on May 1, 2024. Those Default Notices required each Defaulting Purchaser to cure their default by May 13, 2024, by paying the overdue deposit amounts, failing which the CSA would be terminated and any deposit amounts that had been paid, forfeited. None of the purchasers responded to the Notice, and none paid any further deposit amounts. Accordingly, the CSA for each of those five Default Units has been terminated.

22. The remaining four Default Units will be monitored as to status, although I observe that three of the four are not impacted by the Reconfiguration Plan in any event.

23. For the reasons set out in the Second Report and amplified in the submissions of counsel for the Receiver at the hearing and supported by counsel for the Senior Secured Lenders, I am satisfied that

the Reconfiguration Plan will achieve the intended objectives and should be approved. I accept the recommendation and advice of the Receiver that it is the best option available within existing practical constraints to maximize returns from the Project. I am reinforced in this view by the fact that the Reconfiguration Plan is not opposed by any party.

24. I am also satisfied that the relief sought in respect of the Letters of Credit ("LCs") should be approved. The Debtors currently have six LCs totaling approximately $2.24 million issued by KEB Hana, which are collateralized. Those LCs support various obligations to the City of Toronto, including in connection with a heritage easement, park areas, streetscaping and storm sewers. KEB Hana has advised the Receiver that it will not renew those LCs as they mature.

25. In addition, the City of Toronto has also required that the Debtors provide an additional LC in the amount of $1 million to backstop an indemnity relating to a temporary street occupation permit required for the Project.

26. RBC has agreed to replace the existing LCs and to provide the new required LC on the terms contemplated by the Letters of Credit Arrangement.

27. This relief is not opposed. I am satisfied that it should be approved, and it follows that the granting of the RBC Charge to collateralize the seven LCs to be provided (to replace the collateralization of the existing LCs in favour of KEB Hana and collateralize the new 7th LC), should also be approved. These LCs, provided to the municipality, are normal and ordinary course requirements for a project of this scale and complexity, and are necessary for this Project to continue.

28. They are approved, together with the corresponding Charge.

Holdback Release Order

29. Since its appointment, the Construction Manager has been meeting with trades and suppliers to transition their contracts previously held with the Former Developer, to new subcontracts with the Construction Manager. Certain subcontractors have required that their proportional entitlement to the statutory holdback under the Provincial Lien Legislation be released, as a condition to executing new subcontracts with Skygrid.

30. The Receiver is aware of 38 subcontractors from whom statutory holdback was retained, totaling approximately $13 million (the "Holdback Amount") for work performed prior to the Effective Date.

31. The proposed order would authorize the Receiver to pay the Holdback Parties their proportionate share of the Holdback Amount in accordance with the Holdback Schedule, as well as to pay any post-Effective Date holdback amounts owing to subcontractors where such Holdback Party has fully completed its scope of work and is not required for continued construction.

32. I am satisfied that the Holdback Schedule is appropriate. Notice of the proposed payment of the Holdback Amount will be provided to all known contractors, subcontractors and suppliers for which the Receiver has contact information. The payment will be subject to the Holdback Release Conditions. More than 45 days have passed since the Effective Date.

33. In short, the proposed order will facilitate the entry by the Construction Manager into new sub-contracts and otherwise contribute to the continuation of the construction of the Project for the benefit of stakeholders. In my view, disruption to or suspension of construction is to be avoided if at all possible.

34. The Holdback Release Order is not opposed by any party, acknowledging as I do the submissions of Gamma Windows and Walls International Inc. which have resulted in amendments to the draft order to carve out that party from the effect of the order. The Holdback Release Order, as revised, is

supported by the Senior Secured Lenders and I am satisfied that it is appropriate for the reasons set out in the Second Report. It is approved.

Proposed SISP

35. The proposed SISP Approval Order would approve the SISP and authorize the Receiver, *nunc pro tunc*, to enter into the Broker Agreement with JLL will allow on the terms proposed. The full Broker Agreement is in the motion materials (Second Report, Appendix "E").

36. I will address JLL and the proposed Broker Agreement first. JLL was retained in March, 2024, following a request for proposal (RFP) process, to design and present a proposed SISP that contemplated value-maximizing transactions or investments for the sale of the Project, or in the alternative, go-forward arrangements with developers, with a view to achieving in either case, the continuation of the construction of the Project without disruption.

37. The basis for the recommendation of the Receiver to select JLL and to retain that broker on the terms set out in the Broker Agreement are fully set out in the Second Report (6.9 – 6.14). I am satisfied that the recommendation of the Receiver should be accepted.

38. JLL is qualified, experienced and capable of acting as the Broker for this Project and has substantial experience, particularly in residential, hotel and commercial asset disposition, marketing and sale, including but not limited to sales in the context of insolvency proceedings. JLL has a broad and extensive sales network across North America and internationally.

39. I am also satisfied that the proposed fee structure for the Broker in the SISP is reasonable, represents competitive market terms, and is appropriate in the circumstances. The fee schedule is fully disclosed in the motion materials. It contemplates a flat fee for any Third Party Transaction, and a transaction fee in addition thereto essentially on a sliding scale, designed to incentivize the Broker to maximize the quantum of any third-party investment.

40. The Coco Parties do not oppose the retention of the proposed Broker or the terms of the Broker Agreement, including the fee structure, although as more particularly discussed below, they submit that the proposed fee structure with its contemplated highest fee threshold category beginning at $1.1 billion, is reflective of the fact that there is no genuine belief that the SISP will generate any higher amount.

41. No party other than the Receiver has filed any evidence in respect of the proposed retention of JLL or the proposed terms of the engagement. For the reasons fully set out in the Second Report as amplified by the submissions of counsel for the Receiver and for the Senior Secured Lenders, and summarized above, I am satisfied that the retention of the Broker is appropriate.

42. This Court has broad discretion pursuant to s.243(1)(c) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, to approve the engagement by the Receiver of a real estate broker and to approve broker agreements.

43. As described above, the Receiver conducted an RFP process, carefully considered the proposals received, consulted with the Senior Secured Lenders and their advisors, and selected JLL for the reasons set above, and with which I agree.

44. Accordingly, the retainer of JLL and the Broker Agreement are approved.

45. With respect to the SISP itself, all parties (including, for greater certainty, the Coco Parties) are, or at least were previously, in agreement that a SISP should be conducted. Indeed, the Coco Parties emphasized their frustration that it has not been commenced sooner.

46. The Receiver, together with various inputs including from the proposed Broker as described above, has designed the SISP to canvass the market, efficiently and effectively, for any and all potential forms of value-maximizing transactions or investments for the sale of the Project or, alternatively, for go-forward arrangements with developers or others for completion of construction and the later sale of Units and the Commercial Component.

47. Significant work prior to the proposed implementation of the SISP has been undertaken, all with a view to ensuring that the Project was positioned and construction was advanced to a point where the SISP had the best chances of success. The Project is now at that point.

48. The pre-SISP work streams included the Reconfiguration Plan discussed above, finalizing arrangements with the Construction Manager (the Skygrid construction management contract has now been executed), reaching arrangements with trades, developing a revised budget and schedule, and selecting a Broker. The virtual data room is now ready.

49. Accordingly, I am satisfied that now is the appropriate time to approve and implement a SISP.

50. The Receiver submits that a broadly marketed and flexible SISP in the form presented is the best way to proceed in order to solicit interest in the Project and, to put it plainly, to demonstrate through testing of the market whether there is value in the Project beyond the amounts owed to the Senior Secured Lenders.

51. The proposed SISP will, as described briefly above, solicit interest in the opportunity to do one of two things.

52. First, it will solicit the interest of any party to acquire or invest in the entire Project, or in either of the Residential Component or the Commercial Component, pursuant one or more sale or investment transactions. In other words, a proposal need not contemplate an acquisition or investment in the entire Project.

53. Importantly, however, the proposed SISP contemplates a Minimum Bid Threshold of $1.2 billion. Accordingly, any Transaction Proposal or Transaction Proposals must have a purchase price or investment amount, in the aggregate, that equals or exceeds $1.2 billion, being the Minimum Bid Threshold required by the Senior Secured Lenders. This is discussed further below.

54. Second, the proposed SISP will solicit interest, in the alternative, of any party to enter into an arrangement with the Senior Secured Lenders to complete the construction, development and realization of value from the Project on terms acceptable to them, as well as to the Receiver. Put simply, this alternative contemplates an arrangement to facilitate the continuation and completion of construction of the Project, and deferring the sale of Units and/or the Commercial Component until a later date.

55. The proposed SISP has two phases, and the terms and relevant timelines are fully set out in the Second Report. They are designed to give interested parties sufficient time to perform diligence and pursue the Opportunities, balanced as against the need to advance this restructuring as quickly as reasonably possible.

56. I pause to observe that, as noted above, the virtual data room is ready now. Moreover, I accept the submission of the Receiver, supported by the Broker, that the scale, complexity and value of this Project is such that the universe of potentially interested parties will be relatively small and will likely consist of highly sophisticated, experienced, industry players.

57. During Phase I, the Broker will solicit indications of interest in the form of non-binding letters of intent, to be submitted by a Phase I Bid Deadline of July 30, 2024. Phase II will include the opportunity for additional due diligence with a view to bidders submitting a final binding Transaction, Proposal or

Development Proposal by the Phase II Bid Deadline of September 24, 2024. The Receiver may terminate the SISP following Phase I if no Qualified LOIs are received.

58. The Receiver and the Senior Secured Lenders submit that proceeding with the SISP now, and on the proposed terms, is in the best interests of the stakeholders and will address the threshold issue "hanging over" the Project at this time, in the sense of determining whether there is a third party transaction available that will maximize value and facilitate completion of the Project, or alternatively establish that the Senior Secured Lenders, as the priority economic stakeholder in the Project, will need to pursue their recovery through the completion of the construction and realization of the Project, either on their own or in conjunction with a new developer that may emerge as a result of the SISP.

59. This Court has held that when considering a sales solicitation process, the Court should assess the following factors (See: *CCM Master Qualified Fund v. Bluetip Power Technologies*, 2012 ONSC 1750 at para. 6):

    a. the fairness, transparency and integrity of the proposed process;
    b. the commercial efficacy of the proposed process in light of the specific circumstances facing the receiver; and
    c. whether the sales process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale.

60. These factors are to be considered in light of the well-known *Soundair* Principles, which, while applicable to the test for approving a transaction following a sales process, not surprisingly track the same principles applicable to that process itself. (See *Royal Bank of Canada v. Soundair Corp*., (1991), 4 O.R. (3d) 1 (Ont. C.A.) at para. 16):

    a. whether the party made a sufficient effort to obtain the best price and to not act improvidently;
    b. the interests of all parties;
    c. the efficacy and integrity of the process by which the party obtained offers; and
    d. whether the working out of the process was unfair.

61. In *Nortel Networks Corporation (Re),* [2009] O.J. No. 3169, 2009 CanLII 39492 (ONSC) ("*Nortel*"), Morawetz, J. (now Chief Justice Morawetz) described several factors to be considered in a determination of whether to approve a proposed sales process, including:

    a. is a sale transaction warranted at this time?
    b. will it benefit the whole economic community?
    c. do any of the debtor's creditors have a *bona fide* reason to object to a sale? and
    d. is there a better viable alternative?

62. In short, the Court must consider whether the proposed sale process will optimize the chances, in the particular factual circumstances of any case, of securing the best possible price for the assets being proposed to be sold: *Ontario Securities Commission v. Bridging Finance Inc.*, 2021 ONSC 5338 at paras 7–8.

63. Substantial deference should be given to the business judgment and recommendation of a Court-appointed receiver as an officer of the Court with expertise and insolvency proceedings: *Marchant Realty Partners Inc v. 2407553 Ontario Inc*, 2021 ONCA 375 at paras 10, 15 and 19. See also *Ontario Securities Commission v. Bridging Finance Inc*, 2022 ONSC 1857 at paras 43–45.

64. In my view, this is particularly applicable where, as here, the recommendations of the Receiver are informed by the additional expertise of the proposed Broker, the Construction Manager and are fully supported by the fulcrum creditors, the Senior Secured Lenders as informed by their own advisors.

65. In the present case, those Senior Secured Lenders have first-ranking security over the Property of the Borrower and GP Inc., including the Project. Today, they are owed approximately $1.5 billion, including amounts advanced by the RFCA Lender pursuant to the Receivership Order. The Borrower is in default of the Credit Agreement. The Senior Secured Lenders fully support the SISP on the proposed terms.

66. In particular, they support, and candidly admit that they have insisted upon, the inclusion of a Minimum Bid Threshold of $1.2 billion. This represents approximately 80% of the outstanding indebtedness owed to them, a threshold below which they will not support any Bid.

67. Submitting that they could have proposed a Minimum Bid Threshold of 100% of the principal and interest owed to them, they take the position that this notional "discount" to 100% debt recovery is intended to maximize the chances of the SISP soliciting interest from the market, and represents a compromise on their part. Moreover, they emphasize that the SISP also contemplates an alternative transaction in the absence of a sale, in which case the Minimum Bid Threshold is not relevant at all.

68. Given the position of the Senior Secured Lenders, but importantly, informed also by its own analysis (informed in turn by the input from the Broker), the Receiver supports the inclusion of this Minimum Bid Threshold. The Receiver submits that it would be both a waste of resources and would be disingenuous to the market and inefficient to conduct the sales process without a Minimum Bid Threshold and thereby represent to the market that any bid, at any quantum, had a realistic prospect of being accepted, when in fact such is not the case.

69. As noted above, the Coco Parties fully support a SISP in principle. They object to approval of this SISP on the proposed terms, however, with the result that they oppose approval of the SISP and submit that it is doomed to failure with the result that it should not be approved on these terms at this time.

70. The Coco Parties have not, however, filed any evidence on this motion. In particular, there is no evidence to challenge the evidence put forward by the Receiver in the Second Report. Instead, they have filed a "Notice of Objection" without affidavit or other evidence (factual or expert).

71. The Coco Parties object to several proposed terms of the SISP. Most particularly, they oppose the Minimum Bid Threshold of $1.2 billion. They submit that "it is a certainty" that this bid floor will result in no qualified bids, and will deter purchasers from engaging in the SISP. Indeed, they go further and submit bluntly that: "[t]he SISP with this bid floor has been intentionally designed to fail - that is, to produce no bids - so as to then justify permitting the Senior Secured Lenders to finance construction of the Project for the next 3 ½ years."

72. The Coco Parties go even further still and submit that the Receiver is "well aware that the SISP as designed with this bid floor will produce no bids". While stating that they "do not question and are not impugning the competence or integrity of the Receiver", the Coco Parties submit that the Senior Secured Lenders are purporting to "dictate a commercially unreasonable path" and that the Receiver is accepting this because it believes that because those parties are the fulcrum creditors and their interest is the only economic interest at stake.

73. Accordingly, the Coco Parties ask this Court to do one of two things:

    a. "if the Court is satisfied that the position of the Senior Secured Lenders entitles them to do as they wish, then the court should dispense with the pretense of a SISP that is designed to produce no bids … and set up the Senior Secured Lenders' funding plans". They submit that the Receiver should bring a motion to approve construction financing plans and "dispense with the pretense of a market check"; or

b. "if the Court believes that a SISP is an appropriate course to pursue, the Court should be satisfied that the SISP is structured to maximize the prospects of receiving bids rather than serve only to confirm that there are no other bids on the terms dictated by the Senior Secured Lenders".

74. The Coco Parties submit that what is unprecedented in this case is that the Senior Secured Lenders are insisting on a Minimum Bid Threshold, but are not credit bidding their debt or stepping forward with a stalking horse bid. Instead, it is submitted, they are "simply blocking the sale of the Project" by imposing a bid floor of $1.2 billion that precludes anyone else from buying the Project. The submission is that they are, at once, both refusing to put forward their own bid, yet at the same time insisting on a process that by design precludes anyone else from buying the Project.

75. The Coco Parties submit that this amounts to an unacceptable "third alternative" by which the Senior Secured Lenders "are entitled to both block a sale of the collateral to others, even though they are unwilling to purchase the collateral themselves" and further that by so doing, the Senior Secured Lenders "are now obstructing one of the principal objectives of the receivership remedy: the realization upon the collateral over which the receiver is appointed".

76. This is strong language indeed. While attempting to qualify their submissions by saying they do not impugn the integrity of the Receiver, the Coco Parties effectively do just that, by maintaining their submission that the Receiver is improperly acquiescing to the demands of unreasonable creditors acting in their own self-interest (the Senior Secured Lenders) and endorsing and recommending to this Court a process that is not only doomed to fail, but is one which the Receiver knows full well is doomed to fail, and yet is recommending it anyway.

77. Moreover, and as noted above, the Coco Parties make these submissions in the absence of putting forward any evidence. There is not, for example, any expert evidence from an appraiser, valuator, real estate broker or other experienced market participant to challenge the position of the Receiver and the Broker. There is certainly no challenge to the independence or expertise of JLL, although the Coco Parties submit that the fact that the fee schedule does not include defined incentivization levels above the Minimum Bid Threshold amount of $1.2 billion is itself evidence of the fact of the lack of any *bona fide* belief in the Receiver or the Broker that there will be any such bid.

78. I observe that there is no request for an adjournment from the Coco Parties, nor any suggestion from them that if an adjournment were granted, such evidence would be available.

79. In the absence of any evidence from the Coco Parties, I am left with the evidence in the Record which consists (in relevant part) of the Second Report of the Receiver and the Affidavit of Mark Sheeley sworn June 5, 2024 filed on behalf of the Senior Secured Lenders.

80. Having considered the evidence as against the *Soundair* Principles and the other factors set out above relevant to the determination of whether a proposed sales process should be approved, I am satisfied that the proposed SISP should be approved.

81. First, I am satisfied that now is the appropriate time to canvass the market for interest through the proposed SISP. Simply put, it is in the best interests of all stakeholders, not only the Senior Secured Lenders (although certainly, including those parties) to find out, now that the Project is sufficiently advanced so as to be at a marketable stage, whether there is any market interest.

82. To be very clear, in making this conclusion, I accept the (obvious) fact that no one knows what potential bids the process may yield. But that is exactly the point. In my view, it is in the best interests of the stakeholders to find out the answer to that question and let the market speak. It may very well be that, just as the Coco Parties submit, there will be no Qualified Bid (i.e., one that includes, on its own or when aggregated with others, a Minimum Bid Threshold of $1.2 billion).

83. What I cannot do is conclude today on the evidence that such will inevitably be the result, and I certainly cannot reach that conclusion, contrary to the recommendation in the Second Report and the clear and unequivocal submissions of the Receiver and of the Senior Secured Lenders that they, respectively, are of the view that the proposed SISP has a reasonable chance of success and should be undertaken.

84. To go even further, I certainly cannot reach that conclusion with any degree of likelihood or certainty, let alone such as would be required, in my view, to deprive the stakeholders of the chance of testing the market and applying the ultimate litmus test of market appetite. There is simply no evidence upon which I can conclude today that the proposed SISP is hopeless, let alone disingenuously and intentionally so.

85. I also note that while the Senior Secured Lenders are acting in their own self-interest, as is their right as creditors, it is their money principally at risk as interest continues to accrue. They are fully supportive of the proposed process and the time it will take.

86. I further note that the Receiver has a different mandate, and reports to a different constituency: it is a Court-appointed officer with the fiduciary duties appurtenant to that office. While the Receiver is entitled, indeed in the circumstances of this case it is obligated, to take into account the views of the fulcrum creditors, its mandate is broader than that of any individual stakeholder and includes the duty to make recommendations to the Court in the best interests of all stakeholders. I am satisfied that it has done that, in recommending approval of the SISP.

87. I also reject the submission that the Senior Secured Creditors are required to make a binary decision: either step up with a stocking horse bid, or agree to a sales process without any Minimum Bid Threshold.

88. First, there is no requirement that they put forward a stalking horse bid, just as there is no foregone conclusion that such a proposal would make the SISP more beneficial to stakeholders in any event. Creditors are entitled to consider whether or not they wish to put forward such an offer.

89. Second, I do not accept the submission that an automatic consequence of the decision by a fulcrum creditor to not propose a stalking horse bid has the effect of preventing that creditor from insisting on a minimum bid amount or any other terms of a proposed SISP. The fact that a fulcrum creditor may insist on any particular term does not mean that a Court-appointed Receiver, or this Court, will accept such a proposed term, and the result may be that the proposed sales process is not approved.

90. At the risk of being repetitive, I note that any proposed sales process, including all of its terms, must be evaluated as against any available alternatives and considered, according to the *Soundair* Principles and the other factors set out above. The constellation of relevant factors includes,, but is certainly not limited to, the presence or absence of a stalking horse bid and any minimum bid amount, together with all other proposed terms. The analysis is necessarily informed by the particular facts of any individual case, and what is appropriate in one case may be wholly inappropriate in another.

91. Third, I reject the submission that a requirement imposing a minimum bid amount generally, or the requirement of the Minimum Bid Threshold of $1.2 billion proposed in this particular case, is inappropriate.

92. Courts regularly impose minimum bid amounts, and there is nothing improper about doing so. Sometimes, they are imposed without that label, although that is precisely what they are in the sense that courts regularly approve SISPs with a term stipulating, for example, that any qualified bid must satisfy the indebtedness of a creditor with first ranking security. In effect, that is simply a minimum bid amount equal to 100% of the indebtedness of the fulcrum creditor.

93. In the present case, the Senior Secured Lenders propose the Minimum Bid Amount of $1.2 billion. That is a very material sum, to be certain. However, it represents approximately 80% of their outstanding indebtedness. Is it an arithmetically calculated amount? No. Is it a judgment call on their part? Yes. It represents a commercial decision on the part of those parties to require that bids, individually or in the aggregate, yield an amount roughly equal to an 80% recovery rate on their debt, or risk that the proposed SISP may not be approved by the Court.

94. Even if it is approved, they are accepting the risk that it may not yield any qualified bids, with the result that they will be left with the Project, and will be compelled to consider whether they wish to finance the completion of the Project without a transaction, or try again.

95. I pause again to observe for completeness that as noted above, the proposed SISP here contemplates an alternative to an investment or sale as set out above, such that the Minimum Bid Threshold would not be relevant anyway.

96. Having considered the legal test as against the evidence in this case, I am satisfied that the inclusion of this term is reasonable and appropriate. I accept the submission of the Receiver that there is little utility in conducting a sales process to yield a bid below the Minimum Bid Threshold that the Receiver knows will not be accepted by the Senior Secured Lenders.

97. Potential bidders, particularly in a complex mid-construction scenario such as the stakeholders are faced with here, and with a Project of such scale and value, will likely expend material resources in conducting due diligence and considering whether to submit a bid. In my view, all parties are assisted, and the process is improved, if potential bidders have an understanding of whether or not a potential bid has a reasonable prospect of gaining traction.

98. For all of these reasons, I am satisfied that the proposed SISP, including the Minimum Bid Threshold, is appropriate and should be approved.

99. I have also considered the other objections to the process submitted by the Coco Parties (See, for example, Notice of Objection at paragraph 21). In the main, these objections relate to the built-in flexibility of the process, including what I accept is potentially significant discretion on the part of the Receiver to adapt and modify the process as it advances, including the discretion to terminate the process. If Phase I is unsuccessful, the Receiver can change milestones if appropriate, it can require non-disclosure agreements from bidders and their advisors, there is no fixed deposit amount, and it can amend other terms.

100. In my view, it is appropriate to grant the discretion to the Receiver to the extent provided for in this proposed SISP. It is neither efficient nor beneficial to require the Receiver to return to Court, with the attendant expense to all stakeholders, on potentially multiple locations, to tweak the process as it advances.

101. I accept that the process may have to be modified as it proceeds, and that the Receiver is well placed to conduct the process, with the Broker, within the parameters of the Court order approving the SISP. The Receiver is the Court-appointed officer, and in my view, if it cannot be entrusted with the (limited and defined) discretion to adjust the process along the way to yield the maximum beneficial outcome for stakeholders, it ought not to be acting as the Court-appointed officer in the first place.

102. I am satisfied that this Receiver, assisted by JLL, Skygrid and the other advisors, will carry out its mandate according to the terms I have imposed. Finally, if an issue arises that cannot be resolved, any affected party can seek directions from this Court.

103. I pause to observe that both the Coco Parties on the one hand, and the Senior Secured Lenders on the other hand, made opaque references to other proceedings and other facts not before this Court as

potentially impacting the motivations of various parties. In the complete absence of evidence, however, I have given no weight to these submissions.

104. On this record, the Notice of Objection of the Coco Parties is filed on behalf of Coco International Inc. and 12823543 Canada Ltd. I have considered the objections raised, and the weight that should be given to those objections raised by these parties.

105. Coco International is a subordinate lender to the Project, and a party to the Coco Priority Agreements with the Senior Secured Lenders and the Borrower.

106. I accept the submission of the Senior Secured Lenders that the purpose and intention of the parties in entering into the Coco Priority Agreements was to give effect to the first ranking security interest of the Senior Secured Lenders.

107. As a term of the Coco Priority Agreements, Coco International subordinates and postpones its security and indebtedness in all respects to the security indebtedness of the Senior Secured Lenders, which must be paid in full before Coco International is entitled to be paid anything with respect to the Subordinate Indebtedness (Priority Agreement, Clause 6).

108. In addition, pursuant to Clause 13 of the Priority Agreement, Coco International agreed that in the event that the [senior indebtedness] is in default (as it now is), "no actions, steps or proceedings can be taken by or on behalf of [Coco International] that might negatively or detrimentally impact upon the Senior Secured Lenders' ability to expeditiously complete the development, construction management of the Project and/or which might restrict, inhibit, hinder or delay the sale and closing of any portion of the Commercial Component or the individual condominium unit sale transactions in respect of the Condominium Project by or on behalf of the Senior Lender".

109. Finally, and perhaps most importantly, pursuant to Clause 23, in the context of an insolvency involving the Registered Owner, the Beneficial Owner and the Collateral (as this proceeding is), until the Senior Indebtedness is paid in full, Coco International will not "seek any relief or file any motion, application or other action in respect of the Collateral or the Registered or Beneficial Owner without the prior written consent of the Senior Secured Lenders". No such consent has been sought or granted.

110. The Coco Parties submit that none of these contractual provisions operate so as to prevent them from raising objections as they do to the mechanics of a sale process. In my view, the Coco Parties are affected stakeholders and they are entitled to be heard on issues such as the proposed SISP. That is exactly why I have given them that opportunity to be heard, and considered carefully their objections.

111. However, those objections must be informed by, and considered in the context of, the contractual obligations to which the Coco Parties (as sophisticated and well advised commercial parties) consented and agreed. I accept the submission of the Senior Secured Lenders that the objections by the Coco Parties to various terms of the proposed SISP, and to the Minimum Bid Threshold in particular, are (at least) a breach of Clause 23 of the Priority Agreement and their covenant not to seek any relief in respect of the Collateral or the Registered or Beneficial Owner without the prior written consent of the Senior Secured Lenders.

112. This flows from my interpretation of the Priority Agreements to determine the intent of the parties and the scope of their understanding, giving the words the parties used their ordinary and grammatical meaning, consistent with the surrounding circumstances known to the parties at the time of the formation of the contract: *Sattva Capital Corp. v. Creston Moly Corp*., 2014 SCC 53 at para. 47.

113. Even absent the contractual obligations, however, and while a subordinate lender, such as is Coco International here, is certainly entitled to be heard, generally, the position of the senior lender, and particularly a party such as the Senior Secured Lenders here who are the fulcrum creditors will be

accorded more weight. Unless and until the Senior Indebtedness has been repaid in full (and that is far from certain here), the Subordinate Lender has no economic stake in the proceeding.

114. As submitted by the Senior Secured Lenders, it is ironic that the proposed SISP to which the Coco Parties object (on the basis that the costs ought not to be incurred and the time required to run a sales process ought not to be spent) affords the only hope that recoveries might exceed the value of the indebtedness owed to the Senior Secured Lenders such that the Coco Parties might recover anything on their own indebtedness.

115. It is even more ironic that the Coco Parties object to the Minimum Bid Threshold at 80% of that indebtedness, when in fact they are "out of the money" and not contractually entitled to recover anything on their own indebtedness unless and until the Senior Secured Lenders recover fully 100% of their own indebtedness.

116. Finally, with respect to the other Coco party to the Notice of Objection, 12823543 Canada Ltd., it is an equity holder of one of the Borrowers. Specifically, it is a limited partner in, and a 50% equity holder of, the corporate general partner of one of the Borrowers under the Credit Agreement. As such, it is at best an equity holder, the interest of which would rank subordinate to the interests of all creditors in any event. In the circumstances, it is not anticipated that all secured creditors will be paid in full, let alone all unsecured creditors.

117. Accordingly, and having considered the objections raised by the Coco Parties, I am satisfied that the SISP should be approved on the terms proposed.

Result and Disposition

118. For all of the above reasons, the SISP Approval Order, the Reconfiguration Plan and LC Order, and the Holdback Release Order, are approved.

119. Orders to go in the form signed by me today. They are effective immediately and without the necessity of issuing and entering.

Osborne, J.

APPENDIX "F"
RECEIVER'S SIXTH REPORT

Court File No. CV-23-00707839-00CL

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

SIXTH REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.

DECEMBER 11, 2024

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APPENDICES

1.0 INTRODUCTION

1.1 On October 18, 2023 (the "**Appointment Date**"), pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), Alvarez & Marsal Canada Inc. was appointed as receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties 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 Beneficial Owner and the Nominee, the "**Debtors**") 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 copy of the SISP Approval Order is attached hereto as **Appendix "A"**. 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**").

1.3 In connection with these receivership proceedings (the "**Receivership Proceedings**"), the Receiver has previously filed with this Court five reports and three supplemental reports (collectively, the "**Prior Reports**"). Additional background regarding the Debtors and the Project, including an overview of the circumstances leading to the appointment of the

Receiver, are set out 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**").

1.4 The Application Record, the Prior Reports and other Court-filed documents and notices in these Receivership Proceedings can be found on the Receiver's case website at: www.alvarezandmarsal.com/theone (the "**Case Website**").

2.0 PURPOSE OF THIS REPORT

2.1 The purpose of this Sixth Report (the "**Sixth Report**") is to provide an interim update in respect of the SISP.[1] As described in further detail below, the SISP has culminated in the Receiver entering into a binding term sheet (the "**Term Sheet**") with Tridel Builders Inc. and certain of its affiliates as specified therein (collectively, "**Tridel**") in respect of the Development Proposal (as defined below) submitted by Tridel pursuant to the SISP. A redacted copy of the Term Sheet is attached hereto as **Appendix "B"**.[2] Pursuant to the definitive documentation contemplated by the Term Sheet, Tridel will be engaged to take

[1] Capitalized terms used in this Sixth Report and not otherwise defined have the meanings given to them in the SISP.

[2] The Term Sheet has been redacted to remove references to certain confidential and sensitive commercial information, including financial terms, which, if disclosed at this time, could negatively impact the ongoing SISP, notably because the definitive documents contemplated by the Term Sheet have not yet been finalized.

over the Project as the development manager, construction manager and general contractor (the "**Transaction**").

2.2 The Receiver is not seeking any relief from the Court in connection with the SISP or the Transaction at this time. The Receiver, in consultation with the Broker and the Senior Secured Lenders, is working with Tridel to finalize the definitive documentation contemplated in the Term Sheet, with a view to seeking Court approval of the Transaction and related relief in the near term.

2.3 In addition to providing an interim update on the results of the SISP, this Sixth Report also provides a brief update on the status of ongoing construction.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Sixth Report, the Receiver has obtained and relied upon unaudited financial information, books and records, and other documents of the Debtors, and has 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**"), and certain other parties as referenced herein (collectively, the "**Information**").

3.2 The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver 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*, and accordingly,

the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.

3.3 This Sixth Report has been prepared to provide an interim update in respect of the SISP, as well as a brief update on the status of ongoing construction of the Project. Accordingly, the reader is cautioned that this Sixth Report is not appropriate for any other purpose, and that the Receiver will not assume any responsibility or liability for any losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Sixth Report.

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

4.0 SISP UPDATE

4.1 As detailed in the Second Report, prior to commencing the SISP, the Receiver and its advisors, in consultation with the Senior Secured Lenders and their advisors as well as various other Project advisors, undertook a series of significant pre-SISP work streams to ensure that certain core Project-related matters had been advanced to a point that the Project could be marketed in the most value-maximizing manner possible, notwithstanding that the Project was, and remains, under construction. These pre-SISP activities, which included the engagement of Jones Lang LaSalle Real Estate Services, Inc. as broker (in such capacity, the "**Broker**"), are described in detail in the Second Report and formed an important component of the diligence made available to Participating Bidders (as defined below) during Phase 1 and Phase 2 of the SISP.

4.2 The SISP was designed to efficiently and effectively canvass the market for any and all potential forms of value maximizing transactions that may be available and acceptable to the Receiver and the Senior Secured Lenders for the sale of the Project, or alternatively, for go-forward arrangements with developers for its construction to completion. Specifically, the SISP was designed to solicit interest in the opportunity to either:

(i) acquire or invest in the Project (or either of the Residential Component or the Commercial Component[3]) pursuant to one or more sale or investment transactions (a "**Transaction Proposal**") that individually or in the aggregate have a purchase price or investment amount equal to or exceeding $1.2 billion, being the minimum bid threshold required by the Senior Secured Lenders; or

(ii) enter into an arrangement with the Senior Secured Lenders to complete the construction, development and realization of value from the Project on terms acceptable to each of the Receiver and the Senior Secured Lenders (a "**Development Proposal**" and together with a Transaction Proposal, the "**Opportunities**" and each an "**Opportunity**").

4.3 The following table summarizes the key dates and milestones of the SISP:

[3] The Residential Component is comprised of the residential suites occupying levels 17 through 85 of the Project, and 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.

Milestone	Date(s)
Phase 1: Formal marketing process and initial due diligence period	June 6 to July 30, 2024
Phase 1 Bid Deadline	July 30, 2024
Phase 2: Due diligence period for Qualified Bidders	August 13 to September 24, 2024
Phase 2 Bid Deadline	September 24, 2024
Court Approval of Successful Bid	Not later than the week of October 14, 2024 (subject to Court availability)

4.4 The Receiver and the Broker conducted the SISP in accordance with the Milestones. As detailed below, the Milestone for Court approval of a Successful Bid has been extended in accordance with the terms of the SISP to allow further time to finalize the terms of Tridel's Development Proposal and advance the Term Sheet and the definitive documentation contemplated therein.

Solicitation Materials

4.5 In furtherance of the SISP, the Broker and the Receiver:

(i) prepared a list of potential purchasers, developers, asset managers and other parties considered to be viable Potential Bidders, including those parties who contacted the Receiver or the Broker expressing an interest in participating in the SISP (the "**Initial Bidder List**"). The Initial Bidder List was developed to canvass the widest possible market and included parties that could be interested in a Transaction Proposal and/or a Development Proposal, including parties located in Canada, the United States and internationally;

(ii) prepared a form of non-disclosure agreement ("**NDA**") required to be signed by Potential Bidders;

(iii) prepared a marketing brochure (the "**Brochure**") and promotional video describing the Project and the Opportunities;

(iv) prepared a confidential information memorandum with detailed Project information to be provided to Potential Bidders who signed the NDA; and

(v) developed an electronic data room (the "**Phase 1 Data Room**") containing detailed Project information, including, among other things, property surveys, tax information, consultant reports, information with respect to zoning, planning and permitting, information regarding trades and consultants working on the Project, summary revenue information, a sample of redacted condominium agreements of purchase and sale, detailed information regarding costs incurred to date, a summary of the overall budget and estimated cost to complete, detailed construction and procurement schedules, and other relevant Project information.

Phase 1

4.6 The SISP was structured as a two-phased process, which formally commenced on June 6, 2024, immediately upon the granting of the SISP Approval Order.

4.7 The Broker launched Phase 1 by directly contacting each of the parties on the Initial Bidder List, comprised of 91 parties, and by disseminating the Brochure and NDA, as well as a link to the promotional video to over 4,000 additional parties in the Broker's database of

real estate investors, developers and others identified as potentially having an interest in the Project.

4.8 Of this group, 53 parties signed an NDA (each, a "**Participating Bidder**") and were granted access to the Phase 1 Data Room. A total of 50 Participating Bidders logged into in the Phase 1 Data Room and reviewed certain of the information contained therein.

4.9 During Phase 1, the Broker and the Receiver worked diligently with the Participating Bidders to respond to all questions and inquiries received in respect of the Project, to discuss the Project and its current status of development, and to address diligence questions to ensure that Participating Bidders had the information necessary to formulate a Transaction Proposal and/or a Development Proposal.

4.10 Pursuant to the terms of the SISP, a Development Proposal is required to include a description of the Participating Bidder's plans for the development of the Project (a "**Development Plan**"), including: (i) a pro forma model and estimated timeline to complete construction of the Project; (ii) any proposed construction changes and the impacts, if any, on the construction schedule; (iii) proposed sales, marketing and branding strategies for the Residential Component; and (iv) the proposed business plan for the Commercial Component of the Project, including the retail, hotel, restaurant and parking components.

4.11 Over the course of Phase 1, approximately 10 Participating Bidders expressed a high degree of interest in the Opportunities, dedicated significant internal and external resources to the SISP, and conducted extensive due diligence on the Project including, among other things:

(i) conducting an extensive review and analysis of the materials available in the Phase 1 Data Room;

(ii) engaging third-party consultants and advisors to assist in their due diligence efforts;

(iii) attending numerous meetings with the Broker and the Receiver to improve their understanding of the Project and advance their due diligence;

(iv) attending a site tour of the Project with the Receiver, the Broker and KDC to gain a better understanding of the construction status and the unique characteristics of the Project; and

(v) attending several meetings with the Receiver, the Broker and the Senior Secured Lenders to discuss potential forms of Development Proposals and/or Transaction Proposals, and in particular to assist in the preparation of their Development Plans.

4.12 On July 17, 2024, the Broker distributed a process letter (the "**Phase 1 Letter**") to the Participating Bidders who at that time remained active in the SISP and were interested in submitting either a Transaction Proposal or a Development Proposal (each type of proposal had a unique form of Phase 1 Letter). The Phase 1 Letter, among other things, confirmed instructions for the submission of LOIs by the Phase 1 Bid Deadline and outlined certain criteria or additional requests for the submission of a Transaction Proposal or a Development Proposal, as applicable. The Phase 1 Letter was uploaded to the Phase 1 Data Room. Copies of the Phase 1 Letters are attached hereto as **Appendix "C"**. On July 9, 2024, the Broker also broadly distributed an email to all parties who had been contacted

during the SISP up to that date to remind them of the Opportunities and the Phase 1 Bid Deadline.

4.13 The Phase 1 Letter delivered to Participating Bidders interested in submitting a Development Proposal included certain requests for additional information from the Participating Bidders. Such requests were developed by the Receiver and the Broker in consultation with the Senior Secured Lenders and were made without limiting the criteria outlined in the SISP. Specifically, the additional requests were designed to assist in the timely review and comparison of LOI submissions for Development Proposals, in particular in the comparison of Development Plans.

4.14 On or about July 30, 2024, being the Phase 1 Bid Deadline, the Receiver and the Broker received LOIs from 11 Participating Bidders. Of these, ten Participating Bidders delivered a Development Proposal, and one delivered a Development Proposal and two forms of Transaction Proposals.

4.15 The Receiver, in consultation with the Broker and the Senior Secured Lenders, reviewed the LOIs to determine, among other things, which of the LOIs constituted a Qualified LOI.

4.16 With respect to the two Transaction Proposals received, the Receiver requested clarifications and additional information from the relevant Participating Bidder to assist in assessing whether the applicable LOIs could be considered Qualified LOIs. After carefully reviewing the Transaction Proposals and consulting with the Broker and the Receiver's counsel in respect of same, the Receiver ultimately determined, in its business judgement, that the LOIs received in respect of the Transaction Proposals were not Qualified LOIs and advised the relevant Participating Bidder as such.

4.17 Most of the LOIs for Development Proposals included detailed and comprehensive Development Plans that considered, among other things, value maximizing strategies for each of the Residential Component and the Commercial Component, assessments of potential value engineering and cost saving initiatives, and proposed fee schedules. The Receiver and the Broker reviewed these LOIs in detail, including each of the Participating Bidder's Development Plans.

4.18 In accordance with the terms of the SISP, the Receiver, in consultation with the Broker and the Senior Secured Lenders[4], determined that four of the LOIs received in respect of Development Proposals were Qualified LOIs. The applicable LOIs were determined to be Qualified LOIs because, among other reasons, they: (i) were submitted by developers identified as being able to provide the best combination of experience, expertise and capabilities to complete the development of the Project in a timely, efficient and value maximizing manner; and (ii) were acceptable to the Senior Secured Lenders (solely for purposes of proceeding to Phase 2).

4.19 On or about August 9, 2024, the Participating Bidders who submitted a Qualified LOI (each, a "**Qualified Bidder**") were provided with a letter advising them that they had been selected to participate in Phase 2 of the SISP. During the same period, those Participating Bidders who submitted LOIs that were determined not to be Qualified LOIs were notified that they would not be advancing to Phase 2 of the SISP.

[4] As outlined in the SISP, the Senior Secured Lenders irrevocably confirmed to the Receiver that they would not be submitting a bid in the SISP. Accordingly, the SISP provides that the Senior Secured Lenders are entitled to receive all confidential information in respect of the SISP, including copies of all LOIs, Qualified LOIs, and Final Bids (collectively, the "**Confidential SISP Information**"). The Receiver has provided regular updates to the Senior Secured Lenders throughout the SISP, as well as copies of the Confidential SISP Information received.

4.20 On August 22, 2024, the Receiver delivered an interim update in respect of the SISP detailing the results of Phase 1 and outlining the contemplated next steps in the SISP to those Secured Creditors who had executed a non-disclosure agreement and had irrevocably confirmed to the Receiver in writing that neither they, nor any of their affiliates, would be participating as a bidder in the SISP.

Phase 2

4.21 Phase 2 of the SISP commenced on or about August 12, 2024. During Phase 2, the Qualified Bidders performed further due diligence, including:

(i) being given access to a more extensive data room containing further Project information, including additional contract and change order documentation, detailed Project drawings, further detail with respect to the overall budget and estimated cost to complete, additional consultant reports, and additional information regarding the Project's construction schedule;

(ii) participating in meetings with the Cost Consultant and certain of the Project's other key consultants, such that the Qualified Bidders could advance their diligence and understanding of the Project; and

(iii) participating in additional meetings with the Receiver, the Broker and the Senior Secured Lenders to review and discuss the Qualified Bidders' respective Development Plans.

4.22 Also during Phase 2, the Receiver and the Broker, in consultation with the Senior Secured Lenders, worked with the Qualified Bidders to further develop and improve the terms of

their respective Development Proposals. Specifically, among other things, the Receiver and the Broker:

(i) engaged in detailed discussions with the Qualified Bidders to respond to any further due diligence inquiries and to discuss each Qualified Bidder's value maximizing strategies, fee proposals and other important aspects contemplated in their respective Development Proposals with a view to providing detailed feedback in respect of same; and

(ii) together with the Senior Secured Lenders, spent a significant amount of time meeting with each of the Qualified Bidders and touring their various completed and in-progress developments to better understand and assess the Qualified Bidders' development and construction experience, capabilities and capacity to successfully lead the completion of the Project.

4.23 Prior to the Phase 2 Bid Deadline, the Receiver notified one of the four Qualified Bidders that it would not be continuing further in Phase 2 as its proposed fee structure contemplated fees outside of the range of the other Qualified Bidders, and such Qualified Bidder was not amenable to revising its proposed fee structure.

4.24 Also in advance of the Phase 2 Bid Deadline, the Receiver, after consultation with the Broker and the Senior Secured Lenders, determined that given the significant level of detail of the Qualified LOIs that had already been submitted by the remaining Qualified Bidders (which Qualified LOIs included Development Proposals that were further developed and improved during Phase 2), it was not necessary to require these three remaining Qualified Bidders to submit a formal Final Bid in advance of the Phase 2 Bid Deadline.

4.25 Over the remaining course of Phase 2, the Receiver and the Broker, in consultation with the Senior Secured Lenders, continued to work to identify a lead Qualified Bidder, ultimately being Tridel, whose Qualified LOI and Development Proposal was viewed as superior to the other Qualified LOIs and Development Proposals received, including for the reasons set out below. On or about the Phase 2 Bid Deadline, the Receiver advised the two other remaining Qualified Bidders that the Receiver would be moving forward with another Qualified Bidder.

Selected Qualified Bid

4.26 Tridel's Development Proposal was determined to be the superior proposal and was designated as the Selected Qualified Bid for, among other reasons, the following:

(i) **Development and Construction Experience.** Tridel's development and construction experience is best aligned with the size, scope, and complexity of the Project. In particular:

(a) Tridel has over 90 years of home-building experience and is recognized as one of Canada's leading high-rise developers having delivered over 90,000 homes and developed over 200 communities in the Greater Toronto Area;

(b) Tridel is an award-winning developer with an established reputation in the real estate market for delivering high quality, luxury condominiums, and for possessing relevant experience in building large, complex, mixed-use developments that are comprised of both residential and commercial components;

(c) Tridel's recent applicable project experience at The Well (a mixed-use development in Toronto comprised of seven towers), Bayside Toronto Waterfront Community (a mixed-use development in Toronto comprised of four towers), and Ten York (a 65-storey condominium in Toronto), demonstrate its ability to successfully complete development projects comparable to the size, nature and complexity of the Project; and

(d) Tridel's large and broad service offering allows it to provide certain in-house resources and expertise to complete the construction and development of the Project in an effective and efficient manner. Tridel offers a full suite of services, which include, but are not limited to, development management, construction management, sales management, and interior design;

(ii) **Development Plan.** Tridel's Development Plan provides for a value maximizing plan for the completion and monetization of the Project. This plan includes certain value maximizing strategies for the Residential Component and the Commercial Component, value engineering initiatives which are anticipated to save costs, and potential re-design concepts for certain of the unbuilt residential units. Further, the Receiver and the Broker are of the view that Tridel's premier reputation in the development industry will be of additional value in the construction and marketing of the Project;

(iii) **Fee Structure.** Tridel's proposed fee structure was competitive with the other fee proposals received during Phase 1 of the SISP. Through further negotiation during

Phase 2, Tridel's fee structure was further improved by: (a) reducing certain costs and fees; and (b) revising certain components of Tridel's overall fees to be payable only on a contingent basis (based on certain revenue targets and costs savings), thereby providing for further alignment of interests between the Senior Secured Lenders and Tridel; and

(iv) **Senior Secured Lenders' Support.** The Senior Secured Lenders advised the Receiver that they are supportive of Tridel's Development Proposal.

Term Sheet

4.27 Following the Phase 2 Bid Deadline, the Receiver and the Broker, in consultation with the Senior Secured Lenders, continued to work with Tridel to finalize the terms of Tridel's Development Proposal.

4.28 Pursuant to the Milestones contemplated in the SISP, the Receiver was to seek Court approval of the Selected Qualified Bid by no later than the week of October 14, 2024, subject to Court availability (the "**Court Approval Milestone**"). In accordance with the terms of the SISP, following consultation with the Broker and with the consent of the Senior Secured Lenders, the Receiver extended the Court Approval Milestone to allow for further time to finalize the terms of Tridel's Development Proposal and advance the Term Sheet and definitive transaction documentation. On October 11, 2024, the Receiver posted a notice to the Case Website advising of the extension of the Court Approval Milestone. A copy of the notice extending the Court Approval Milestone is attached hereto as **Appendix "D"**.

4.29 On December 6, 2024, the Receiver, Tridel and the Senior Secured Lenders executed the binding Term Sheet outlining the principal terms and conditions of the Transaction, including the specific services that will be performed by Tridel (including on an interim basis prior to seeking Court approval and implementation of the Transaction) and the fees associated with those services, all of which will be further documented in definitive agreements with Tridel (collectively, the "**Definitive Agreements**").

4.30 Certain key provisions and aspects of the Term Sheet are summarized below:

(i) subject to Court approval, Tridel shall be engaged on a fee-for-service basis to complete the construction, development and realization of value from the Project.

(ii) the Term Sheet and the Definitive Agreements will set out the services to be performed by Tridel and the terms related thereto, including project management services, construction management services (to be documented in a CCDC 5B 2010 Construction Management Contract – for Services and Construction), and residential sales management services, and Tridel will grant the Debtors a non-exclusive license to use the Tridel trademark(s) in the branding and operation of the Project, including, without limitation, in the future sale or lease of condominium units in the Project and in connection with the Commercial Component (collectively, the "**Tridel Services**");

(iii) the compensation (including both fees and reimbursable expenses) for the Tridel Services have been agreed to among the parties and documented as a schedule to the Term Sheet. A summary of these fees will be provided when the Receiver returns to Court to seek approval of the Transaction. The Term Sheet contemplates

that: (a) on signing, the Receiver will provide Tridel with an advance payment of approximately $2.3 million plus HST on account of the Tridel Services (the "**Tridel Fee Advance**"); and (b) if the Term Sheet is terminated, Tridel will be required to return the Tridel Fee Advance, net of a fixed fee, as compensation for the Interim Services;

(iv) the Transaction will be implemented and each of the Definitive Agreements will come into full force and effect ten (10) days after Court approval of the Transaction, or such other date as the parties shall mutually agree to (the "**Effective Date**");

(v) from the date of execution of the Term Sheet until the Effective Date (the "**Interim Period**"), Tridel will perform certain interim services, including, among other things, assisting the Receiver with certain development management services, commencing certain planning activities in connection with the sale and marketing plan for the Project generally, and implementing a construction management transition plan designed to ensure a smooth transition upon the Effective Date;

(vi) upon the Effective Date, Tridel, on behalf of the Beneficial Owner and the Nominee, will assist with Home Construction Regulatory Authority (Ontario) and Tarion Warranty Corporation matters to continue advancing the construction and development of the Project in accordance with applicable statutory requirements;

(vii) prior to the Effective Date, the Existing Hotel Agreements and the Existing F&B Agreements (each as defined in the Term Sheet) will be disclaimed and, following the Effective Date, a process will be implemented to assist in selecting a new operator of the hotel component of the Project;

(viii) the Senior Secured Lenders shall agree to enter into a further super-priority financing agreement to fund the completion of the Project and the ongoing restructuring proceedings on terms agreeable to the parties, each acting reasonably; and

(ix) the Term Sheet may be terminated by any party to the Term Sheet on not less than five days' written notice to each of the other parties to the Term Sheet in the event: (a) the Definitive Agreements are not settled on or before December 20, 2024, or such later date as the parties may mutually agree to; (b) the Court declines to approve the Transaction and grant the related relief required by the parties for the implementation of the Transaction; or (c) the Effective Date has not occurred on or before January 31, 2025, or such later date as the parties may mutually agree to.

5.0 RECEIVER'S CONTEMPLATED NEXT STEPS

Motion for Approval of the Transaction and CCAA Application

5.1 The Receiver is of the view that the SISP has been conducted in accordance with the terms of the SISP Approval Order, and that the market has been fully and properly canvassed.

5.2 As soon as practicable following agreement on the Definitive Agreements, the Receiver intends to return to Court to seek approval of the contemplated Transaction and related relief. In connection with seeking approval of the Transaction, the Receiver also intends to bring an application under the *Companies' Creditors Arrangement Act* (the "**CCAA**") on behalf of the Debtors to transition these Receivership Proceedings to proceedings under the CCAA so as to, among other things, best facilitate (in the judgment of the Receiver,

Tridel and the Senior Secured Lenders) the implementation of the Transaction, including the ongoing construction of the Project and the marketing and sale of condominium units in the Project. The Senior Secured Lenders have confirmed to the Receiver that they are committed to facilitating the continued construction of the Project to completion, including by continuing to fund construction of the Project, should the Transaction be approved and implemented and the CCAA relief granted by the Court.

5.3 Both prior to and following the contemplated Court approval of the Transaction, payments to all contractors, trades and other suppliers engaged on the Project will continue to be made on a monthly basis in the normal course pursuant to the terms of the Receivership Order and anticipated further Orders of the Court.

5.4 The Receiver will provide further information in respect of the Transaction, the Definitive Agreements and the additional relief to be sought in connection therewith in a further report to be filed in support of the Receiver's motion for approval of the Transaction and the Receiver's CCAA application to be made on behalf of the Debtors.

Transition of Construction Manager

5.5 The Transaction contemplates that, upon the Effective Date, Tridel will take over from SKYGRiD Construction Inc. ("**SKYGRiD**") as the construction manager for the Project, and during the Interim Period, will work cooperatively with SKYGRiD to transition into that role.

5.6 Pursuant to the CCDC 5B 2010 Construction Management Contract – for Services and Construction entered into between the Receiver and SKYGRiD on June 5, 2024 (the

"**SKYGRiD CCDC 5B Contract**"), the Receiver may terminate the SKYGRiD CCDC 5B Contract for convenience at any time and without cause, upon giving not less than thirty working days prior notice to SKYGRiD.

5.7 In light of the execution of the Term Sheet, the Receiver advised SKYGRiD of its intention to exercise the foregoing termination right in connection with implementing the Transaction. SKYGRiD has confirmed to the Receiver its willingness to work cooperatively with Tridel and the Receiver to ensure a smooth transition of the construction management of the Project to Tridel.

6.0 CONSTRUCTION UPDATE

6.1 As outlined in the Prior Reports, the Receiver has been focused on advancing and overseeing the construction of the Residential Component, which has continued uninterrupted throughout these Receivership Proceedings to date, including during the SISP, and which has progressed significantly since the Appointment Date.

6.2 Since the commencement of its role as construction manager of the Project, SKYGRiD has ensured the ongoing, uninterrupted construction of the Project. In particular, SKYGRiD developed and implemented numerous improvements to the construction management of the Project, including with respect to reporting, project management controls, and trade and supplier management, which improvements have contributed significantly to the construction progress summarized below.

6.3 At the Appointment Date, tower slabs in the building superstructure were poured to level 42 and curtainwall (the façade) on the building envelope was installed through level 11.

6.4 During the period from the Appointment Date up to November 30, 2024, an additional 34 floors of tower slabs have been poured through level 76, and the installation of the window curtainwall has advanced by an additional 38 floors through level 49.

6.5 As of November 30, 2024, 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 64, standpipe for water service is partially installed to level 57, and in-suite distribution piping is partially installed to level 39;

(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 59; and

(iv) electrical main services are on-line up to level 38, with electrical main services installed up to level 58 (not yet on-line).

6.6 The Reconfiguration Plan (as defined in the Second Report) approved by the Court pursuant to the Order (Reconfiguration and Letters of Credit Arrangement) on June 6, 2024, is advancing as planned and in accordance with applicable zoning requirements, site plans, and permits. Specifically, the Receiver and the Project's consultants submitted an updated set of drawings reflecting the proposed changes contemplated by the Reconfiguration Plan to the City Planning Division, who has confirmed that the revisions are substantially in accordance with the approved site plan drawings. A revised building

permit application is currently under review by the Toronto Building department and the Receiver anticipates that the revised building permit will be issued in the near term.

*****

All of which is respectfully submitted,

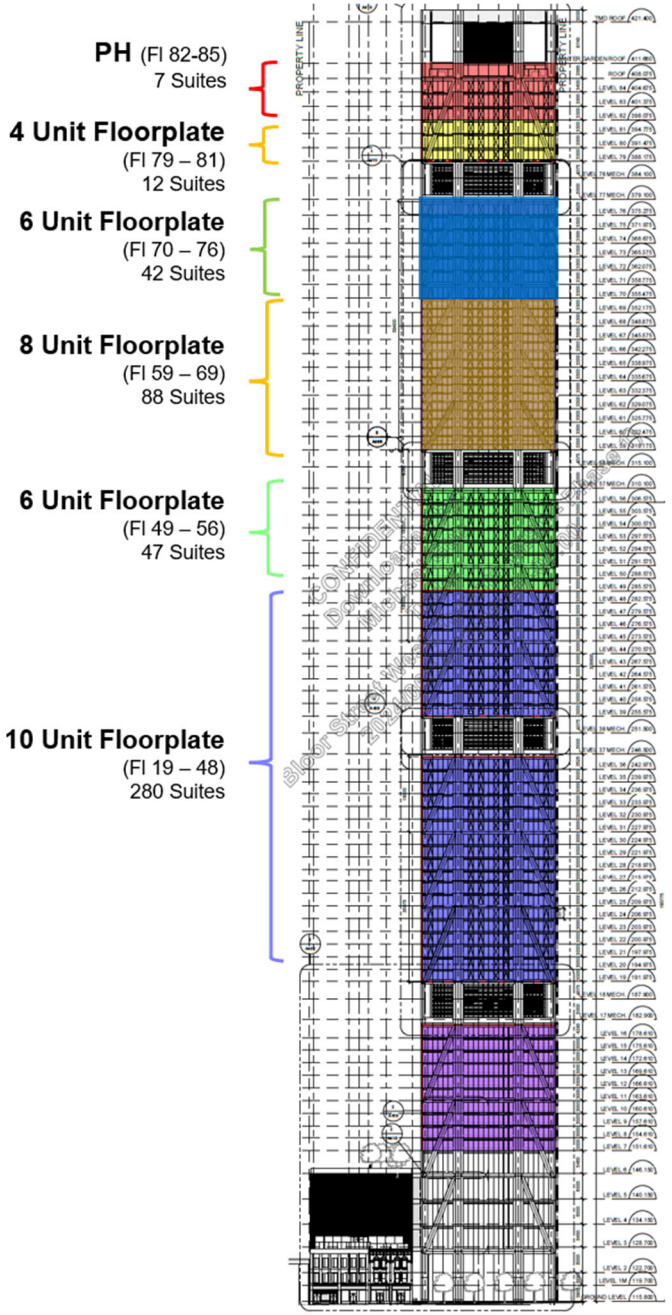
Alvarez & Marsal Canada Inc., in its capacity as receiver and manager of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc.

Per: _____
Name: Stephen Ferguson
Title: Senior Vice-President

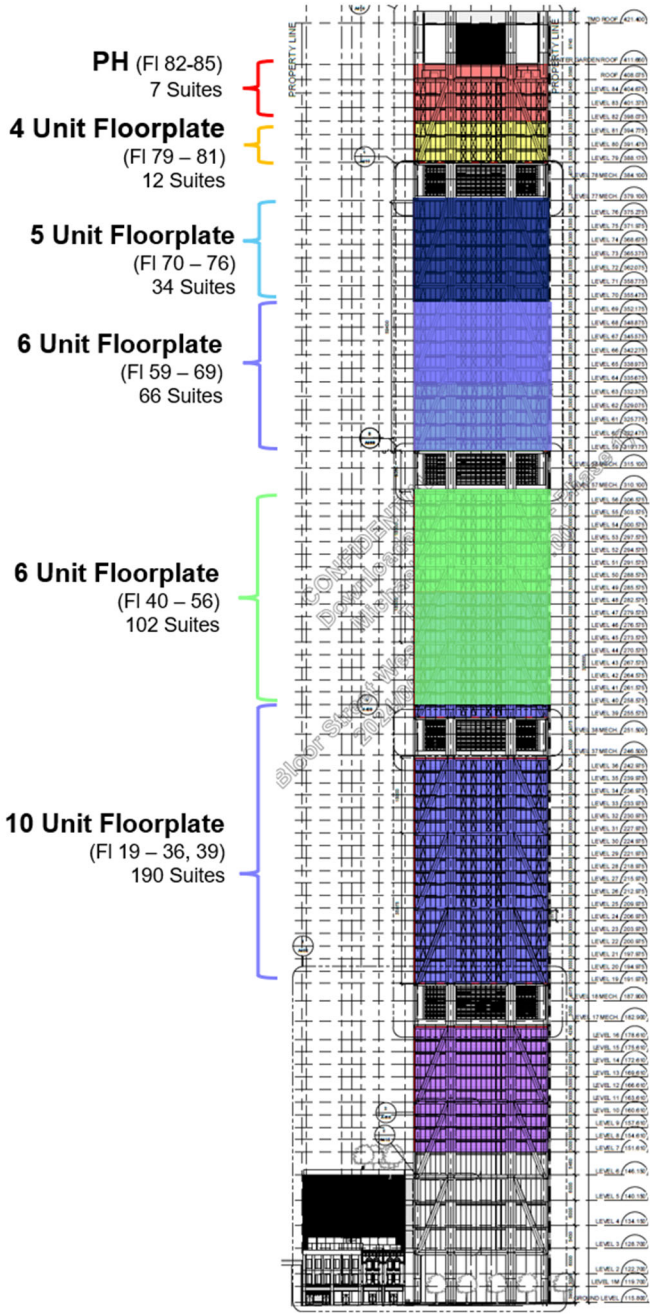
Per: _____
Name: Josh Nevsky
Title: Senior Vice-President

APPENDIX "G"
GRAPHIC REPRESENTATION OF CSA PLAN RECONFIGURATION

SISP Reconfiguration
476 Units



CSA Plan Reconfiguration
411 Units



APPENDIX "H"
FORM OF DISCLAIMER NOTICE AND COVER LETTER

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.

October 24, 2025

DELIVERED BY COURIER AND BY EMAIL ([Purchaser Email])

[Purchaser Name]
[Purchaser Address]

Dear Purchaser:

Re: Notice of Disclaimer of Agreement of Purchase and Sale

***Companies' Creditors Arrangement Act* (Canada) ("CCAA") Proceedings of One Bloor West Toronto Group (The One) Inc. (f/k/a Mizrahi Development Group (The One) Inc.) (the "Vendor"), 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")**

We are writing to you in your capacity as a purchaser of a residential condominium unit in the development project located at 1 Bloor Street West in Toronto, Ontario, previously marketed as "The One" (the "**Project**"), with important details regarding the disclaimer of your Agreement of Purchase and Sale.

Background

As you are aware, on October 18, 2023, 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 capacity, the "**Receiver**") for the Project.

Following a competitive process, the Receiver and the Companies' senior lenders entered into a binding term sheet with Tridel Builders Inc. and certain of its affiliates (collectively, "**Tridel**"), which engaged Tridel as the project manager, construction manager and sales manager to complete the Project.

On April 22, 2025, the Court, among other things: (i) approved the engagement of Tridel, who became the project manager, construction manager and sales manager of the Project effective May 1, 2025; (ii) transitioned the receivership proceedings to proceedings under the CCAA to facilitate the completion of the development of the Project; (iii) approved a debtor-in-possession credit agreement in the amount of $615 million to facilitate the completion of construction of the Project; (iv) appointed A&M as Monitor of the Companies under the CCAA (in such capacity, the "**Monitor**"); and (v) appointed FAAN Advisors Group Inc. as Chief Restructuring Officer of the Companies (in such capacity, the "**CRO**").

Additional information regarding the receivership proceedings and the CCAA proceedings is available on the Monitor's website at: https://www.alvarezandmarsal.com/theone (the "**Monitor's Website**").

Disclaimer of Agreement of Purchase and Sale

Please find enclosed a Notice by Debtor Company to Disclaim or Resiliate an Agreement (the "**Disclaimer**"), which is hereby delivered to you on behalf of the Vendor pursuant to section 32 of the CCAA. The Monitor has approved the Disclaimer.

The effect of the Disclaimer is that your Agreement of Purchase and Sale for a residential condominium unit in the Project (as may have been modified from time to time, the "**Agreement**") will be terminated, and you will be entitled to seek a refund of any deposits paid in connection with the Agreement pursuant to the proposed Deposit Return Protocol, discussed below.

Should you wish to object to the Disclaimer, you must apply to the Court for an order that the Agreement not be disclaimed by no later than November 10, 2025. The Companies and the Monitor will seek to have any objection to the Disclaimer addressed as part of a scheduled motion before the Court on November 17, 2025 (the "**November 17 Hearing**"). The Companies' motion materials for the November 17 Hearing will be available on the Monitor's Website in the coming days.

Deposit Return Protocol

At the November 17 Hearing, the Companies will be seeking Court approval of a protocol (the "**Deposit Return Protocol**") to facilitate the return of deposits paid by purchasers in respect of disclaimed condominium sale agreements pursuant to the applicable bond and deposit insurance policy.

Should the Deposit Return Protocol be approved by the Court at the November 17 Hearing, you will be provided with further information about the process for obtaining the return of any deposits paid by you in connection with the Agreement. Should you have any questions regarding the proposed Deposit Return Protocol, please contact the Monitor or the CRO at the contacts listed below.

CSA Plan and Early Purchase Opportunity

As part of Tridel's mandate, Tridel has developed a plan (the "**CSA Plan**") that, if approved by the Court, is expected to facilitate the introduction of a five-star luxury hotel brand to the Project, the sale of hotel-branded condominium units and other exciting improvements.

Under the CSA Plan, you will be offered an exclusive early opportunity to purchase residential condominium units in the Project before the general public. Tridel will be contacting you in the near term with further details.

Should you have any questions regarding the above, or any other inquiries relating to Project, please contact any of the following:

Monitor	theone@alvarezandmarsal.com	1-855-499-1480
CRO	theone@faanadvisors.com	416-815-0298

Please note that nothing herein constitutes legal advice to you and neither the Monitor nor the CRO can provide you with legal advice in respect of the Disclaimer or the other matters addressed herein. You may wish to consult your own lawyer with respect to the Disclaimer and the other matters addressed herein.

Yours truly,

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.

By FAAN Advisors Group Inc., solely in its capacity as CRO of the Companies and in no other capacity

Encl.

FORM 4

NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIATE AN AGREEMENT

TO: [●] (the "**Purchaser**")

AND TO: Alvarez & Marsal Canada Inc., in its capacity as court-appointed monitor (in such capacity, the "**Monitor**") of One Bloor West Toronto Group (The One) Inc. (f/k/a Mizrahi Development Group (The One) Inc.) (the "**Vendor**"), 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**")

TAKE NOTICE THAT:

1. Proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**Act**") in respect of the Companies were commenced on April 22, 2025.

2. In accordance with subsection 32(1) of the Act, the Vendor hereby gives you notice of its intention to disclaim or resiliate the Agreement of Purchase and Sale between the Purchaser and the Vendor dated [●] in respect of Residential Unit No. [●] at the development project located at 1 Bloor Street West, Toronto, Ontario (as may have been amended, restated, modified and/or supplemented from time to time, the "**Agreement**"), together with any and all agreements and/or contracts of any kind between the parties related to the Agreement.

3. In accordance with subsection 32(2) of the Act, any party to the Agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the Agreement and to the Monitor, apply to court for an order that the Agreement is not to be disclaimed or resiliated.

4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the Agreement is disclaimed or resiliated on November 23, 2025, being 30 days after the day on which this notice is given.

[Signature Page Follows]

DATED at Toronto, Ontario on October 24, 2025.

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.

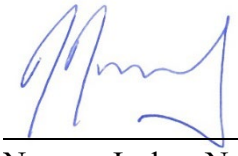
Per: 

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

The Monitor approves the proposed disclaimer or resiliation.

DATED at Toronto, Ontario on October 24, 2025.

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

Per: 

Name: Joshua Nevsky

Title: Senior Vice President

APPENDIX "I"
STANDARD FORM OF CSA

Residential Unit No. _____ Level No. _____

Suite No. _____

AGREEMENT OF PURCHASE AND SALE

The undersigned, _____(collectively, the **"Purchaser"**), hereby agrees with MIZRAHI DEVELOPMENT GROUP (THE ONE) INC. (the **"Vendor"**) to purchase the above-noted unit, as outlined for identification purposes only on the sketch attached hereto as Schedule "A", together with _____ Parking Unit(s) and _____ Locker Unit(s) to be allocated by the Vendor in its sole discretion, being proposed unit(s) in the Condominium, to be registered against those lands and premises situate in the City of Toronto, Ontario on a parcel of land located on the south west side of Bloor Street West and Yonge Street (hereinafter called the "**Property**"), together with an undivided interest in the common elements appurtenant to such unit(s) and the exclusive use of those parts of the common elements attaching to such unit(s), as set out in the proposed Declaration (collectively, the "**Unit**") on the following terms and conditions:

1. The purchase price of the Unit (the "**Purchase Price**") is _____ _____($_____) DOLLARS in lawful money of Canada, payable as follows:

(a) to Harris, Sheaffer LLP, in Trust, (the "**Vendor's Solicitors**" or "**Escrow Agent**" or "**Trustee**") in the following amounts at the following times, by cheque, bank draft, or pre-authorized payment, as deposits pending completion or other termination of this Agreement and to be credited on account of the Purchase Price on the Title Transfer Date:

(i) the sum of TWENTY THOUSAND ($20,000.00) Dollars submitted with this Agreement;

(ii) the sum of _____ _____($_____) Dollars (which, together with the deposits in paragraph 1 (a) (i), equals 5% of the Purchase Price) submitted with this Agreement and post-dated thirty (30) days following the date of execution of this Agreement by the Purchaser;

(iii) the sum of _____ _____($_____) Dollars (being 5% of the Purchase Price) submitted with this Agreement and post-dated ninety (90) days following the date of execution of this Agreement by the Purchaser;

(iv) the sum of _____ _____($_____) Dollars (being 5% of the Purchase Price) submitted with this Agreement and post-dated one hundred and eighty (180) days following the date of execution of this Agreement by the Purchaser.

(v) the sum of _____ _____($_____) Dollars (being 5% of the Purchase Price) submitted with this Agreement and post-dated three hundred and sixty (360) days following the date of execution of this Agreement by the Purchaser.

(b) the sum of _____ _____($_____ _____) Dollars (being 5% of the Purchase Price) by certified cheque or bank draft to the Vendor's Solicitors on the Occupancy Date;

(c) the balance of the Purchase Price shall be payable on the Title Transfer Date by wire transfer from the trust account of the Purchaser's solicitor or by certified cheque drawn on the trust account of the Purchaser's solicitor payable to the Vendor or as the Vendor may direct, subject to the adjustments hereinafter set forth.

(d) the Purchaser agrees to pay the sums as hereinbefore set out in paragraph 1 (a) as a deposit by cheque payable to the Escrow Agent, or by pre-authorized debt agreement, with such last-mentioned party to hold such funds in trust as the escrow agent acting for and on behalf of the TWC (as defined below) under the provisions of a Deposit Trust Agreement ("**DTA**") with respect to this proposed condominium on the express understanding and agreement that as soon as prescribed security for the said deposit money has been provided in accordance with Section 81 of the *Condominium Act, 1998*, the Escrow Agent shall be entitled to release and disburse said funds to the Vendor (or to whomsoever and in whatsoever manner the Vendor may direct).

2. (a) The Purchaser shall occupy the Unit on the First Tentative Occupancy Date [as defined in the Statement of Critical Dates being part of the Tarion Addendum as hereinafter defined], or such extended or accelerated date that the Unit is substantially completed by the Vendor for occupancy by the Purchaser in accordance with the terms of this Agreement including, without limitation, the Tarion Addendum (the "**Occupancy Date**");

(b) The transfer of title to the Unit shall be completed on the later of the Occupancy Date or a date established by the Vendor in accordance with Paragraph 14 hereof (the "**Title Transfer Date**");

(c) The Purchaser's address for delivery of any notices pursuant to this Agreement or the Act is the address set out in the Tarion Addendum;

(d) Notwithstanding anything contained in this Agreement (or in any schedules annexed hereto) to the contrary, it is expressly understood and agreed that if the Purchaser has not executed and delivered to the Vendor or its sales representative an acknowledgement of receipt of both the Vendor's disclosure statement and a copy of this Agreement duly executed by both parties hereto, within fifteen (15) days from the date of the Purchaser's execution of this Agreement as set out below, then the Purchaser shall be deemed to be in default hereunder and the Vendor shall have the unilateral right to terminate the Agreement at any time thereafter upon delivering written notice confirming such termination to the Purchaser, whereupon the Purchaser's initial deposit payment shall be forthwith returned to the Purchaser by or on behalf of the Vendor.

The following Schedules of this Agreement, if attached hereto, shall form a part of this Agreement. The Purchaser acknowledges that he has read all Sections and Schedules of this Agreement:

Schedule "A" – Unit Plan/sketch/floor plan
Schedule "B" – Features & Finishes
Schedule "C" – Occupancy Licence
Schedule "D" – Receipt Confirmation
Schedule being the Tarion Warranty Corporation Statement of Critical Dates and Addendum to Agreement of Purchase and Sale (collectively the **"Tarion Addendum"**) and such other Schedules annexed hereto and specified as Schedule "__".

DATED, signed, sealed and delivered this _____ day of _____, 201____.

SIGNED, SEALED AND DELIVERED in the presence of

_____
WITNESS:
(as to all Purchaser's signatures, if more than one purchaser)

_____ PURCHASER: D.O.B. Seal

_____ PURCHASER: D.O.B. Seal

Telephone: _____ Facsimile: _____

Address: _____

PURCHASER'S SOLICITOR: _____

The undersigned accepts the above offer and agrees to complete this transaction in accordance with the terms thereof.
DATED, signed, sealed and delivered, this _____ day of _____ , 201____

Vendor's Solicitors:
HARRIS, SHEAFFER LLP
Suite 610 - 4100 Yonge Street
Toronto, Ontario, M2P 3B5
Attn: Jeffrey P. Silver
Telephone: (416) 250-5800 **Fax:** (416) 250-5300

MIZRAHI DEVELOPMENT GROUP (THE ONE) INC.

Per: _____ Seal

Name:

Title: Authorized Signing Officer
I have the authority to bind the Corporation.

3. The meaning of words and phrases used in this Agreement and its Schedules shall have the meaning ascribed to them in the *Condominium Act, 1998,* S.O. 1998, C.19, the regulations thereunder and any amendments thereto (the **"Act"**) and other terms used herein shall have ascribed to them the definitions in the Condominium Documents unless otherwise provided for as follows:

(a) **"Agreement"** means this Agreement of Purchase and Sale including all Schedules attached hereto and made a part hereof;

(b) **"Condominium"** means the condominium which will be registered against the Property pursuant to the provisions of the Act;

(c) **"Condominium Documents"** means the Creating Documents, the by-laws and rules of the Condominium, the disclosure statement and budget statement together with all other documents and agreements which are entered into by the Vendor on behalf of the Condominium or by the Condominium directly prior to the turnover of the condominium, as may be amended from time to time;

(d) **"CRA"** means the Canada Revenue Agency or its successors;

(e) **"Creating Documents"** means the declaration and description which are intended to be registered against title to the Property and which will serve to create the Condominium, as may be amended from time to time;

(f) **"Interim Occupancy"** shall mean the period of time from the Occupancy Date to the Title Transfer Date;

(g) **"Occupancy Licence"** shall mean the terms and conditions by which the Purchaser shall occupy the Unit during Interim Occupancy as set forth in Schedule "C" hereof;

(h) **"Occupancy Fee"** shall mean the sum of money payable monthly in advance by the Purchaser to the Vendor and calculated in accordance with Schedule "C" hereof;

(i) **"Property"** shall mean the lands and premises upon which the Condominium is constructed or shall be constructed and legally described in the Condominium Documents; and

(j) **"TWC"** means Tarion Warranty Corporation or its successors.

Finishes

4. The Purchase Price shall include those items listed on Schedule "B" attached hereto. The Purchaser acknowledges that only the items set out in Schedule "B" are included in the Purchase Price and that model suite/vignette furnishings and appliances, decor, upgrades, artist's renderings, scale model(s), improvements, mirrors, drapes, tracks and wall coverings are for display purposes only and are not included in the Purchase Price unless specified in Schedule "B". The Purchaser agrees to attend and notify the Vendor of his/her choice of finishes within ten (10) days of being requested to do so by the Vendor. At the Vendor's discretion, some finishes may only be available through pre-selected packages. In the event colours and/or finishes subsequently become unavailable, the Purchaser agrees to re-attend at such time or times as requested by the Vendor or its agents, to choose from substitute colours and/or finishes. If the Purchaser fails to choose colours or finishes within the time periods requested, the Vendor may irrevocably choose the colours and finishes for the Purchaser and the Purchaser agrees to accept the Vendor's selections.

Deposits

5. (a) The Vendor shall credit the Purchaser with interest at the prescribed rate on either the Occupancy Date or Title Transfer Date at the Vendor's sole discretion on all money received by the Vendor on account of the Purchase Price from the date of deposit of the money received from time to time by the Vendor's solicitor or the trustee until the Occupancy Date. The Purchaser acknowledges and agrees that, for the purposes of subsection 81(6) of the Act, compliance with the requirement to provide written evidence, in the form prescribed by the Act, of payment of monies by or on behalf of the Purchaser on account of the Purchase Price of the Unit shall be deemed to have been sufficiently made by delivery of such written evidence to the address of the Purchaser noted in the Tarion Addendum. The Purchaser further acknowledges and agrees that any cheques or pre-authorized payments provided to the Vendor on account of the Purchase Price will not be deposited and accordingly interest as prescribed by the Act will not accrue thereon, until after the expiry of the ten (10) day rescission period as provided for in section 73 of the Act (or any extension thereof as may be agreed to in writing by the Vendor). The Purchaser represents and warrants that the Purchaser is not a non-resident of Canada within the meaning of the Income Tax Act of Canada (the "**ITA**"). If the Purchaser is not a resident of Canada for the purposes of the ITA the Vendor shall be entitled to withhold and remit to CRA the appropriate amount of interest payable to the Purchaser on account of the deposits paid hereunder, under the ITA.

(b) All deposits paid by the Purchaser shall be held by the Escrow Agent in a designated trust account, and shall be released only in accordance with the provisions of subsection 81(7) of the Act and the regulations thereto, as amended. Without limiting the generality of the foregoing, and for greater clarity, it is understood and agreed that with respect to any deposit monies received from the Purchaser the Escrow Agent shall be entitled to withdraw such deposit monies from said designated trust account prior to the Title Transfer Date if and only when the Vendor obtains a Certificate of Deposit from TWC for deposit monies up to Twenty Thousand ($20,000.00) Dollars and with respect to deposit monies in excess of Twenty Thousand ($20,000.00) Dollars, one or more excess condominium deposit insurance policies (issued by any insurer as may be selected by the Vendor, authorized to provide excess condominium deposit insurance in Ontario) insuring the deposit monies so withdrawn (or intended to be withdrawn), and delivers the said excess condominium deposit insurance policies (duly executed by or on behalf of the insurer and the Vendor) to the Escrow Agent holding the deposit monies for which said policies have been provided as security, in accordance with the provisions of section 21 of O. Reg. 48/01. Furthermore and without limiting the generality of the foregoing, the Escrow Agent shall be permitted, upon written instructions from the Vendor,

to transfer any and all deposits in its possession to another solicitor representing the Vendor or replacement escrow agent, provided that such solicitor or replacement escrow agent undertakes to the Escrow Agent to comply with the provisions of section 81 of the Act and to notify the Purchaser within 15 days of the transfer of such funds that it is now holding the deposits as escrow agent pursuant to the terms of the Act and this Agreement. Upon the transfer of the deposits in accordance with this paragraph, the Escrow Agent shall have no further obligations to the Purchaser in its capacity as the escrow agent of the deposits and shall automatically be released from further liability as escrow agent of such deposits.

Adjustments

6. (a) Commencing as of the Occupancy Date, the Purchaser shall be responsible and be obligated to pay the following costs and/or charges in respect to the Unit:

(i) all utility costs including electricity, gas, energy and water (unless included as part of the common expenses); and

(ii) the Occupancy Fee owing by the Purchaser for Interim Occupancy prior to the Title Transfer Date (if applicable).

(b) The Purchase Price shall be adjusted to reflect the following items, which shall be apportioned and allowed from the Title Transfer Date, with that day itself apportioned to the Purchaser:

(i) realty taxes (including local improvement charges pursuant to the *Local Improvement Charges Act*, if any) which may be estimated as if the Unit has been assessed as fully completed by the taxing authority for the calendar year in which the transaction is completed as well as for the following calendar year, notwithstanding the same may not have been levied or paid on the Title Transfer Date. The Vendor shall be entitled in its sole discretion to collect from the Purchaser a reasonable estimate of the taxes as part of the Occupancy Fee and/or such further amounts on the Title Transfer Date, provided all amounts so collected shall either be remitted to the relevant taxing authority on account of the Unit or held by the Vendor pending receipt of final tax bills for the Unit, following which said realty taxes shall be readjusted in accordance with subsections 80(8) and (9) of the Act; and

(ii) common expense contributions attributable to the Unit, with the Purchaser being obliged to provide the Vendor on or before the Title Transfer Date with a series of post-dated cheques payable to the condominium corporation for the common expense contributions attributable to the Unit, for such period of time after the Title Transfer Date as determined by the Vendor (but in no event for more than one year).

(c) Interest on all money paid by the Purchaser on account of the Purchase Price, shall be adjusted and credited to the Purchaser in accordance with paragraph 5 of this Agreement.

(d) The Purchaser shall, in addition to the Purchase Price, pay the following amounts to the Vendor on the Title Transfer Date:

(i) any new taxes imposed on the Unit or on the sale of the Unit by the federal, provincial, or municipal government or any increases to existing taxes currently imposed on the Unit or on the sale of the Unit by such government.

(ii) the amount on account of development charge(s) and/or education development charge(s) (the **"Levies"**) assessed against or attributable to the Unit (or assessed against the Property or any portion thereof, and attributable to the Unit by pro-rating same in accordance with the proportion or percentage of common interests attributable thereto), pursuant to the *Development Charges Act 1997*, S.O. 1997, as amended from time to time, and the *Education Act*, S.O. 1997, as amended from time to time, in an amount not to exceed the sum of Eleven Thousand Nine Hundred ($11,900.00) Dollars plus applicable taxes, if the Unit purchased contains less than (2) bedrooms; or, an amount not to exceed the sum of Thirteen Thousand Nine Hundred (13,900.00) Dollars plus applicable taxes, if the Unit purchased contains two (2) bedrooms or two (2) bedrooms + den; or, an amount not to exceed the sum of Fifteen Thousand Nine Hundred (15,900.00) Dollars plus applicable taxes, if the Unit purchased contains three (3) or more bedrooms. In the event that after the Title Transfer Date, any Levies paid by the Vendor are refunded to the Purchaser, the Purchaser shall forthwith deliver the amount of such refund to the Vendor. The Purchaser hereby assigns any such refund to the Vendor and agrees, at the Vendor's request, to sign any further documents required by the Vendor confirming the Vendor's right to receive such refund;

(iii) an amount equal to the percentage contribution of the Unit set forth in Schedule "D" to the Declaration of the parks levy and/or any other contribution(s) or charge(s) assessed against or attributable to the Unit or which has been paid or are payable to the City of Toronto or any other relevant governmental authority or agency thereof, as well as any charges pursuant to a section 37 Agreement (pursuant to the Planning Act), levied, charged or otherwise imposed, with respect to or in connection with the development of the Condominium, including the obtaining of any approvals for such development;

(iv) the cost of the TWC enrolment fee for the Unit (together with any provincial or federal taxes exigible with respect thereto);

(v) any amounts which remain unpaid and owing to the Vendor on account of upgrades and/or extras and/or changes ordered by the Purchaser;

(vi) the cost of utility meters, utility meter installations, check meter installations, water and sewer service connection charges and hydro and gas installation and connection or energization charges for the Condominium and/or the Unit, and where such costs or charges or any portion thereof are

assessed against the Property and not the Unit separately, then the Purchaser's portion of such installation and/or connection or energization charges and costs to be calculated by dividing the total amount of such charges and costs by the number of residential dwelling units in the Condominium and by charging the Purchaser in the statement of adjustments with that portion of the charges and costs. A letter from the Vendor's engineers or architects specifying such costs shall be final and binding on the Purchaser; and

(vii) any other additional or further adjustments agreed to in writing between the Vendor and Purchaser subsequent to the execution of this Agreement.

(e) After the date which is sixty (60) days prior to the Occupancy Date, in the event that the Purchaser desires to increase the amount to be paid to the Vendor's solicitors on the Occupancy Date, or wishes to vary the manner in which the Purchaser has previously requested to take title to the Property, or wishes to add or change any unit(s) being acquired from the Vendor, then the Purchaser hereby covenants and agrees to pay to the Vendor's Solicitor's the legal fees and ancillary disbursements which may be incurred by the Vendor or charged by the Vendor's Solicitors in order to implement any of the foregoing changes so requested by the Purchaser (with the Vendor's Solicitors' legal fees for implementing any such changes to any of the interim closing and/or final closing documents so requested by the Purchaser and agreed to by the Vendor being $350.00 plus HST), but without there being any obligation whatsoever on the part of the Vendor to approve of, or to implement, any of the foregoing changes so requested.

(f) It is further understood and agreed that the Unit may be supplied by, or have installed therein, a rental or leased furnace/HVAC system and associated components which would remain the property of the appropriate company or other supplier of such item and which may serve the Unit and/or the common areas of the Property. The lease costs for any of such equipment will be included in the common expenses and the Purchaser shall pay his or her proportionate share of the monthly rental/lease charges assessed with respect thereto. The Purchaser shall execute all requisite rental/lease documents, acknowledgements or other documents required by the lessor of any such equipment as requested by the Vendor.

(g) The Purchaser acknowledges that it may be required to enter into an agreement with one or more suppliers of utility services, including hydro and/or water and/or heating and cooling to the Condominium (the "**Utility Suppliers**") on or before the Occupancy Date. Furthermore, the Purchaser acknowledges that such agreements may require the Purchaser to deliver a security deposit(s) to the Utility Suppliers prior to the Occupancy Date and the Purchaser agrees to deliver such security deposit(s) to the Vendor on the Occupancy Date.

(h) It is acknowledged and agreed by the parties hereto that the Purchase Price already includes a component equivalent to both the federal portion and the provincial portion of the harmonized goods and services tax exigible with respect to this purchase and sale transaction less the Rebate as defined below (hereinafter referred to as the "**HST**"), and that the Vendor shall remit the HST to CRA on behalf of the Purchaser forthwith following the completion of this transaction. The Purchaser hereby warrants and represents to the Vendor that with respect to this transaction, the Purchaser qualifies for the federal and provincial new housing rebates applicable pursuant to the *Excise Tax Act* (Canada), as may be amended, (collectively, the "**Rebate**") and further warrants and represents that the Purchaser is a natural person who is acquiring the Property with the intention of being the sole beneficial owner thereof on the Title Transfer Date (and not as the agent or trustee for or on behalf of any other party or parties), and covenants that upon the Occupancy Date the Purchaser or one or more of the Purchaser's relations (as such term is defined in the *Excise Tax Act*) shall personally occupy the Unit as his primary place of residence, for such period of time as shall be required by the *Excise Tax Act*, and any other applicable legislation, in order to entitle the Purchaser to the Rebate (and the ultimate assignment thereof to and in favour of the Vendor) in respect of the Purchaser's acquisition of the Unit. The Purchaser further warrants and represents that he has not claimed (and hereby covenants that the Purchaser shall not hereafter claim), for the Purchaser's own account, any part of the Rebate in connection with the Purchaser's acquisition of the Unit, save as may be otherwise hereinafter expressly provided or contemplated. The Purchaser hereby irrevocably assigns to the Vendor all of the Purchaser's rights, interests and entitlements to the Rebate (and concomitantly releases all of the Purchaser's claims or interests in and to the Rebate, to and in favour of the Vendor), and hereby irrevocably authorizes and directs CRA to pay or credit the Rebate directly to the Vendor. In addition, the Purchaser shall execute and deliver to the Vendor, forthwith upon the Vendor's or Vendor's solicitors request for same (and in any event on or before the Title Transfer Date), all requisite documents and assurances that the Vendor or the Vendor's solicitors may reasonably require in order to confirm the Purchaser's entitlement to the Rebate and/or to enable the Vendor to obtain the benefit of the Rebate (by way of assignment or otherwise), including without limitation, the GST/HST New Housing Rebate Application for Houses Purchased from a Builder or other similar form as prescribed from time to time (the "**Rebate Forms**"). The Purchaser covenants and agrees to indemnify and save the Vendor harmless from and against any loss, cost, damage and/or liability (including an amount equivalent to the Rebate, plus penalties and interest thereon) which the Vendor may suffer, incur or be charged with, as a result of the Purchaser's failure to qualify for the Rebate, or as a result of the Purchaser having qualified initially but being subsequently disentitled to the Rebate, or as a result of the inability to assign the benefit of the Rebate to the Vendor (or the ineffectiveness of the documents purporting to assign the benefit of the Rebate to the Vendor). As security for the payment of such amount, the Purchaser does hereby charge and pledge his interest in the Unit with the intention of creating a lien or charge against same. It is further understood and agreed by the parties hereto that:

(i) if the Purchaser does not qualify for the Rebate, or fails to deliver to the Vendor or the Vendor's solicitors forthwith upon the Vendor's or the Vendor's solicitors request for same (and in any event on or before the Title Transfer Date) the Rebate Forms duly executed by the Purchaser, together with all other requisite documents and assurances that the Vendor or the Vendor's solicitors may reasonably require from the Purchaser or the Purchaser's solicitor in order to confirm the Purchaser's eligibility for the Rebate and/or to ensure that the Vendor ultimately acquires (or is otherwise assigned) the benefit of the Rebate; or

(ii) if the Vendor believes, for whatever reason, that the Purchaser does not qualify for the Rebate, regardless of any documentation provided by or on behalf of the Purchaser (including any statutory

declaration sworn by the Purchaser) to the contrary, and the Vendor's belief or position on this matter is communicated to the Purchaser or the Purchaser's solicitor on or before the Title Transfer Date;

then notwithstanding anything hereinbefore or hereinafter provided to the contrary, the Purchaser shall be obliged to pay to the Vendor (or to whomsoever the Vendor may in writing direct), by certified cheque delivered on the Title Transfer Date, an amount equivalent to the Rebate, in addition to the Purchase Price and in those circumstances where the Purchaser maintains that he is eligible for the Rebate despite the Vendor's belief to the contrary, the Purchaser shall (after payment of the amount equivalent to the Rebate as aforesaid) be fully entitled to pursue the procurement of the Rebate directly from CRA. It is further understood and agreed that in the event that the Purchaser intends to rent out the Unit before or after the Title Transfer Date, the Purchaser shall not be entitled to the Rebate, but may nevertheless be entitled to pursue, on his own after the Title Transfer Date, the federal and provincial new rental housing rebates directly with CRA, pursuant to Section 256.2 of the *Excise Tax Act*, as may be amended, and other applicable legislation to be enacted relating to the provincial new rental housing rebate.

(i) Notwithstanding any other provision herein contained in this Agreement, the Purchaser acknowledges and agrees that the Purchase Price does not include any HST exigible with respect to any of the adjustments payable by the Purchaser pursuant to this Agreement, or any extras or upgrades or changes purchased, ordered or chosen by the Purchaser from the Vendor which are not specifically set forth in this Agreement, and the Purchaser covenants and agrees to pay such HST to the Vendor in accordance with the Excise Tax Act. In addition, and without limiting the generality of the foregoing, in the event that the Purchase Price is increased by the addition of extras, changes, upgrades or adjustments and as a result of such increase, the quantum of the Rebate that would otherwise be available is reduced or extinguished (the quantum of such reduction being hereinafter referred to as the "Reduction"), then the Purchaser shall pay to the Vendor on the Title Transfer Date the amount of (as determined by the Vendor in its sole and absolute discretion) the Reduction.

(j) An administration fee of THREE HUNDRED ($300.00) DOLLARS shall be charged to the Purchaser for any cheque payable hereunder delivered to the Vendor or to the Vendor's Solicitors and not accepted by the Vendor's or the Vendor's Solicitor's bank for any reason. At the Vendor's option, this administration fee can be collected as an adjustment on the Title Transfer Date or together with the replacement cheque delivered by the Purchaser.

(k) The Purchaser shall deliver to the Vendor a certified cheque payable to the Condominium Corporation in an amount to be determined by the Vendor as being an amount reasonably required by the Condominium Corporation for utilities in respect of the Unit which are subject to later reimbursement by a third party meter reading company.

Title

7. The Vendor or its Solicitor shall notify the Purchaser or his/her Solicitor following registration of the Creating Documents so as to permit the Purchaser or his/her Solicitor to examine title to the Unit (the **"Notification Date"**). The Purchaser shall be allowed twenty (20) days from the Notification Date (the **"Examination Period"**) to examine title to the Unit at the Purchaser's own expense and shall not call for the production of any surveys, title deeds, abstracts of title, grading certificates, occupancy permits or certificates, nor any other proof or evidence of the title or occupiability of the Unit, except such copies thereof as are in the Vendor's possession. If within the Examination Period, any valid objection to title or to any outstanding work order is made in writing to the Vendor which the Vendor shall be unable or unwilling to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intervening acts or negotiations in respect of such objections, be null and void and the deposit monies together with the interest required by the Act to be paid after deducting any payments due to the Vendor by the Purchaser as provided for in this Agreement shall be returned to the Purchaser and the Vendor shall have no further liability or obligation hereunder and shall not be liable for any costs or damages. Save as to any valid objections so made within the Examination Period, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Unit. The Purchaser acknowledges and agrees that the Vendor shall be entitled to respond to some or all of the requisitions submitted by or on behalf of the Purchaser through the use of a standard title memorandum or title advice statement prepared by the Vendor's Solicitors, and that same shall constitute a satisfactory manner of responding to the Purchaser's requisitions, thereby relieving the Vendor and the Vendor's Solicitors of the requirement to respond directly or specifically to the Purchaser's requisitions.

Direction Re: Title

8. The Purchaser hereby agrees to submit to the Vendor or the Vendor's Solicitors no later than sixty (60) days prior to the Occupancy Date, a written direction as to how the Purchaser intends to take title to the Unit, including, the date(s) of birth and marital status and the Purchaser shall be required to close the transaction in the manner so advised unless the Vendor otherwise consents in writing, which consent may be arbitrarily withheld. If the Purchaser does not submit such confirmation within the required time as aforesaid the Vendor shall be entitled to tender a Transfer/Deed on the Title Transfer Date engrossed in the name of the Purchaser as shown on the face of this Agreement.

Permitted Encumbrances

9. (a) The Purchaser agrees to accept title subject to the following:

(i) the Condominium Documents, notwithstanding that they may be amended and varied from the proposed Condominium Documents in the general form attached to the Disclosure Statement delivered to the Purchaser as set out in Schedule "D";

(ii) registered restrictions or covenants that run with the Property, including any encroachment agreement(s) with any governmental authorities or adjacent land owner(s), provided that same are complied with as at the Title Transfer Date;

(iii) easements, rights-of-way and/or licences now registered (or to be registered hereafter) for the supply and installation of utility services, drainage, telephone services, electricity, gas, storm and/or

sanitary sewers, water, cable television/internet, recreational and shared facilities, and/or any other service(s) to or for the benefit of the Condominium (or to any adjacent or neighbouring properties), including any easement(s) which may be required by the Vendor (or by the owner of the Property, if not one and the same as the Vendor), or by any owner(s) of adjacent or neighbouring properties, for servicing and/or access to (or entry from) such properties, together with any easement and cost-sharing agreement(s) or reciprocal agreement(s) confirming (or pertaining to) any easement or right-of-way for access, egress, support and/or servicing purposes, and/or pertaining to the sharing of any services, facilities and/or amenities with adjacent or neighbouring property owners, provided that any such easement and cost-sharing agreements or reciprocal agreements are (insofar as the obligations thereunder pertaining to the Property, or any portion thereof, are concerned) complied with as at the Title Transfer Date;

(iv) registered municipal agreements and registered agreements with publicly regulated utilities and/or with local ratepayer associations, including without limitation, any development, site plan, condominium, subdivision, Section 37, collateral, limiting distance, engineering and/or other municipal agreement (or similar agreements entered into with any governmental authorities including any amendments or addenda related thereto), (with all of such agreements being hereinafter collectively referred to as the "**Development Agreements**"), provided that same are complied with as at the Title Transfer Date, or security has been posted in such amounts and on such terms as may be required by the governmental authorities to ensure compliance therewith and/or the completion of any outstanding obligations thereunder;

(v) unregistered or inchoate liens for unpaid utilities in respect of which no formal bill, account or invoice has been issued by the relevant utility authority (or if issued, the time for payment of same has not yet expired), without any claim or request by the Purchaser for any utility holdback(s) or reduction/abatement in the Purchase Price, provided that the Vendor delivers to the Purchaser the Vendor's written undertaking to pay all outstanding utility accounts owing with respect to the Property (including any amounts owing in connection with any final meter reading(s) taken on or immediately prior to the Title Transfer Date, if applicable), as soon as reasonably possible after the completion of this transaction;

(vi) any notice of security interest in respect of any building furnace/HVAC system and equipment relating thereto, waste disposal system and equipment relating thereto and any other personal property contemplated by this Agreement or the Condominium Documents; and

(vii) registered agreements and/or easements in favour of the owners of adjoining property, both vertically and horizontally, which may include (i) a freehold or condominium hotel property, and (ii) and a freehold or condominium commercial property.

(b) It is understood and agreed that the Vendor shall not be obliged to obtain or register on title to the property a release of (or an amendment to) any of the aforementioned easements, Development Agreements, reciprocal agreements or restrictive covenants or any of the other aforementioned agreements or notices, nor shall the Vendor be obliged to have any of same deleted from the title to the Property, and the Purchaser hereby expressly acknowledges and agrees that the Purchaser shall satisfy himself or herself as to compliance therewith. The Purchaser agrees to observe and comply with the terms and provisions of the Development Agreements, and all restrictive covenants registered on title. The Purchaser further acknowledges and agrees that the retention by the local municipality within which the Property is situate (the "**Municipality**"), or by any of the other governmental authorities, of security (e.g. in the form of cash, letters of credit, a performance bond, etc., satisfactory to the Municipality and/or any of the other governmental authorities) intended to guarantee the fulfilment of any outstanding obligations under the Development Agreements shall, for the purposes of the purchase and sale transaction contemplated hereunder, be deemed to be satisfactory compliance with the terms and provisions of the Development Agreements. The Purchaser also acknowledges that the wires, cables and fittings comprising the cable television system serving the Condominium are (or may be) owned by the local cable television supplier, or by a company associated, affiliated with or related to the Vendor.

(c) The Purchaser covenants and agrees to consent to the matters referred to in subparagraph 9(a) hereof and to execute all documents and do all things requisite for this purpose, either before or after the Title Transfer Date;

(d) In the event that the Vendor is not the registered owner of the Property, the Purchaser agrees to accept a conveyance of title from the registered owner together with the owner's title covenants in lieu of the Vendor's.

(e) The Vendor shall be entitled to insert in the Transfer/Deed of Land, specific covenants by the Purchaser pertaining to any or all of the restrictions, easements, covenants and agreements referred to herein and in the Condominium Documents, and in such case, the Purchaser may be required to deliver separate written covenants on closing. If so requested by the Vendor, the Purchaser covenants to execute all documents and instruments required to convey or confirm any of the easements, licences, covenants, agreements, and/or rights, required pursuant to this Agreement and shall observe and comply with all of the terms and provisions therewith. The Purchaser may be required to obtain a similar covenant (enforceable by and in favour of the Vendor), in any agreement entered into between the Purchaser and any subsequent transferee of the Unit.

Vendor's Lien

10. The Purchaser agrees that the Vendor shall have a Vendor's Lien for unpaid purchase monies on the Title Transfer Date and shall be entitled to register a Notice of Vendor's Lien against the Unit any time after the Title Transfer Date.

Partial Discharges

11. The Purchaser acknowledges that the Unit may be encumbered by mortgages (and collateral security thereto) which are not intended to be assumed by the Purchaser and that the Vendor shall not be obliged to obtain and register (partial) discharges of such mortgages insofar as they affect the Unit on the Title Transfer Date. The Purchaser agrees to accept

the Vendor's Solicitors' undertaking to obtain and register (partial) discharges of such mortgages in respect of the Unit, as soon as reasonably possible after the Title Transfer Date subject to the Vendor or its solicitors providing to the Purchaser or the Purchaser's Solicitor the following:

(a) a mortgage statement or letter from the mortgagee(s) (or from their respective solicitors) confirming the amount, if any, required to be paid to the mortgagee(s) to obtain (partial) discharges of the mortgages with respect to the Unit;

(b) a direction from the Vendor to the Purchaser to pay such amounts to the mortgagee(s) (or to whomever the mortgagees may direct) on the Title Transfer Date to obtain a (partial) discharge of the mortgage(s) with respect to the Unit; and

(c) an undertaking from the Vendor's Solicitors to deliver such amounts to the mortgagees and to obtain and register the (partial) discharge of the mortgages with respect to the Unit upon receipt thereof and within a reasonable time following the Title Transfer Date and to advise the Purchaser or the Purchaser's Solicitor concerning registration particulars by posting same on the internet.

Construction Lien Act

12. The Purchaser covenants and agrees that he/she is a "home buyer" within the meaning of the *Construction Lien Act*, R.S.O. 1990, c.C.30. and will not claim any lien holdback on the Occupancy Date or Title Transfer Date. The Vendor shall complete the remainder of the Condominium according to its schedule of completion and neither the Occupancy Date nor the Title Transfer Date shall be delayed on that account.

The Planning Act

13. This Agreement and the transaction arising therefrom are conditional upon compliance with the provisions of section 50 of the *Planning Act*, R.S.O. 1990, c.P.13 and any amendments thereto on or before the Title Transfer Date.

Title Transfer Date

14. (a) The provisions of the Tarion Addendum reflect the TWC's policies, regulations and/or guidelines on extensions of the First Tentative Occupancy Date, but it is expressly understood and agreed by the parties hereto that any failure to provide notice(s) of the extension(s) of the First Tentative Occupancy Date, Subsequent Tentative Occupancy Dates or Firm Occupancy Date, in accordance with the provisions of the Tarion Addendum shall only give rise to a damage claim by the Purchaser against the Vendor up to a maximum of $7,500.00, as more particularly set forth in the Regulations to the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, as amended (the "**ONHWPA**"), and under no circumstances shall the Purchaser be entitled to terminate this transaction or otherwise rescind this Agreement as a result thereof, other then in accordance with the Tarion Addendum.

(b) The Vendor's Solicitors shall designate a date not less than fifteen (15) days after written notice is given to the Purchaser or his or her solicitor of the registration of the Creating Documents as the Title Transfer Date. The Title Transfer Date once designated may be extended from time to time by the Vendor's Solicitors provided that it shall not be more than twenty-four (24) months following the Occupancy Date.

Purchaser's Covenants, Representations and Warranties

15. The Purchaser covenants and agrees that this Agreement is subordinate to and postponed to any mortgages arranged by the Vendor and any advances thereunder from time to time, and to any easement, license or other agreement concerning the Condominium and the Condominium Documents. The Purchaser further agrees to consent to and execute all documentation as may be required by the Vendor in this regard and the Purchaser hereby irrevocably appoints the Vendor as the Purchaser's attorney to execute any consents or other documents required by the Vendor to give effect to this paragraph. The Purchaser hereby consents to the Vendor and its designated or proposed construction lenders obtaining a consumer's report containing credit and/or personal information for the purposes of this transaction. The Purchaser further agrees to deliver to the Vendor, from time to time, within ten (10) days of written demand from the Vendor, all necessary financial and personal information required by the Vendor in order to evidence the Purchaser's ability to pay the balance of the Purchase Price on the Title Transfer Date, including without limitation, written confirmation of the Purchaser's income, and a copy of a mortgage approval letter and evidence of the source of the payments required to be made by the Purchaser in accordance with this Agreement. Without limiting the generality of the foregoing and notwithstanding any other provision in this Agreement to the contrary, within ten (10) days of written demand from the Vendor, the Purchaser agrees to produce evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Title Transfer Date or other evidence of an ability to close satisfactory to the Vendor in its sole discretion and satisfactory to the Vendor's construction lender. If the Purchaser fails to provide the financial and personal information or the mortgage approval as aforesaid, or if the Vendor or the Vendor's construction lender is not satisfied as aforesaid, then the Purchaser shall be deemed to be in default under this Agreement. The Vendor may, in its sole discretion, elect to accept in the place of such mortgage commitment, other evidence satisfactory to the Vendor that the Purchaser will have sufficient funds to pay the balance due on the Title Transfer Date.

16. The Purchaser acknowledges that notwithstanding any rule of law to the contrary, that by executing this Agreement, it has not acquired any equitable or legal interest in the Unit or the Property. The Purchaser covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, Purchaser's Lien, or any other document providing evidence of this Agreement against title to the Property, Unit or the Condominium and further agrees not to give, register, or permit to be registered any encumbrance against the Property, Unit or the Condominium. Should the Purchaser be in default of his or her obligations hereunder, the Vendor may, as agent and attorney of the Purchaser, cause the removal of notice of this Agreement, caution or other document providing evidence of this Agreement or any assignment thereof, from the title to the Property, Unit or the Condominium. In addition, the Vendor, at its option, shall have the right to declare this Agreement null and void in accordance with the provisions of paragraph 25 hereof. The Purchaser hereby irrevocably consents to a court order removing such notice of this Agreement, any caution, or any other document or instrument whatsoever from title to the Property, Unit or the

Condominium and the Purchaser agrees to pay all of the Vendor's costs and expenses in obtaining such order (including the Vendor's Solicitor's fees on a full indemnity basis).

17. The Purchaser covenants not to list for sale or lease, advertise for sale or lease, sell or lease, nor in any way assign his or her interest under this Agreement, or the Purchaser's rights and interests hereunder or in the Unit, nor directly or indirectly permit any third party to list or advertise the Unit for sale or lease, at any time until after the Title Transfer Date, without the prior written consent of the Vendor, which consent may be arbitrarily withheld. The Purchaser acknowledges and agrees that once a breach of the preceding covenant occurs, such breach is or shall be incapable of rectification, and accordingly the Purchaser acknowledges, and agrees that in the event of such breach, the Vendor shall have the unilateral right and option of terminating this Agreement and the Occupancy License, effective upon delivery of notice of termination to the Purchaser or the Purchaser's solicitor, whereupon the provisions of this Agreement dealing with the consequence of termination by reason of the Purchaser's default, shall apply. The Purchaser shall be entitled to direct that title to the Unit be taken in the name of his or her spouse, or a member of his or her immediate family only (being limited to parents, siblings or children over the age of eighteen (18) years), and shall not be permitted to direct title to any other third parties.

18. The Purchaser covenants and agrees that he/she shall not directly nor indirectly object to nor oppose any official plan amendment(s), rezoning application(s), severance application(s), minor variance application(s) and/or site plan application(s), nor any other applications ancillary thereto relating to the development of the Property, or any neighbouring or adjacent lands. The Purchaser further acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto. The Purchaser acknowledges that the Vendor is (or may in the future be) processing and/or completing one or more rezoning or minor variance applications with respect to the Lands (and/or the lands adjacent thereto or in the neighbouring vicinity thereof), as a well as a site plan approval/development application/draft plan of condominium approval with respect to the Lands, in order to permit the development and construction of the Condominium thereon. The Purchaser acknowledges that during the rezoning, minor variance, site plan and/or draft plan of condominium approval process, the footprint or siting of the condominium building may shift from that originally proposed or intended, the overall height of the condominium building (and the number of levels/floors, and/or the number of dwelling units comprising the Condominium) may vary, and the location of the Condominium's proposed amenities may likewise be altered, without adversely affecting the floor plan layout, design and size of the interior of the Unit, and the Purchaser hereby expressly agrees to complete this transaction notwithstanding the foregoing, without any abatement in the Purchase Price, and without any entitlement to a claim for damages or other compensation whatsoever. The Purchaser further covenants and agrees that it shall not oppose the aforementioned zoning, minor variance and site plan/development applications, nor any other applications ancillary thereto, including without limitation, any application submitted or pursued by or on behalf of the Vendor to lawfully permit the development and registration of the Condominium, or to obtain an increase in the density coverage or the dwelling unit count (or yield) thereof, or for any other lawful purpose whatsoever, and the Purchaser expressly acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto.

19. The Purchaser covenants and agrees that he/she shall not interfere with the completion of other units and the common elements by the Vendor. Until the Condominium is completed and all units sold and transferred the Vendor may make such use of the Condominium as may facilitate the completion of the Condominium and sale of all the units, including, but not limited to the maintenance of a sales/rental/administration/construction office(s) and model units, and the display of signs located on the Property.

Termination without Default

20. In the event this Agreement is terminated through no fault of the Purchaser, all deposit monies paid by the Purchaser towards the Purchase Price, together with any interest required by law to be paid, shall be returned to the Purchaser; provided however, that the Vendor shall not be obligated to return any monies paid by the Purchaser as an Occupancy Fee. The Vendor shall be entitled to require the Purchaser to execute a release of any surety, lender or any other third party requested by the Vendor in its discretion prior to the return of such monies. In no event shall the Vendor or its agents be liable for any damages or costs whatsoever and without limiting the generality of the foregoing, for any loss of bargain, for any relocating costs, or for any professional or other fees paid in relation to this transaction. This provision may be pleaded by the Vendor as a complete defence to any such claim.

Tarion Warranty Corporation

21. The Vendor represents and warrants to the Purchaser that the Vendor is a registered vendor/builder with the TWC. The Purchaser acknowledges and agrees that any warranties of or liabilities for workmanship or materials, in respect of any aspect of the construction of the Condominium including the Unit, whether implied by this Agreement or at law or in equity or by any statute or otherwise, including without limitation breach of contract, breach of warranty, negligence or breach of duty, shall be limited to only those warranties deemed to be given by the Vendor under the ONHWPA and shall extend only for the time period and in respect of those items as stated in the ONHWPA, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement, or condition precedent to, concurrent with or in any way affecting this Agreement, the Condominium or the Unit, other than as expressed herein. The Vendor and the Purchaser agree that all disputes, if any, respecting any aspect of construction of the Unit or the common elements of the Condominium, including without limitation, disputes alleging negligence, breach of contract, breach of duty or breach of warranty, shall be limited solely to the dispute resolution mechanisms available under the ONHWPA as administered by TWC, which resolution thereunder shall be binding and conclusive on all parties and further that the Purchaser's only remedy shall be pursuant to the ONHWPA. The Purchaser hereby irrevocably appoints the Vendor his/her agent to complete and execute the TWC Certificate of Deposit and any excess condominium deposit insurance documentation in this regard, as required, both on its own behalf and on behalf of the Purchaser.

Right of Entry

22. Notwithstanding the Purchaser occupying the Unit on the Occupancy Date or the closing of this transaction and the delivery of title to the Unit to the Purchaser, as applicable, the Vendor or any person authorized by it shall be entitled at all reasonable times and upon reasonable prior notice to the Purchaser to enter the Unit and the common elements in order to make inspections or to do any work or replace therein or thereon which may be deemed necessary by the Vendor in connection with the Unit or the common elements and such right shall be in addition to any rights and easements created under the Act. A right of entry in favour of the Vendor for a period not exceeding five (5) years

similar to the foregoing may be included in the Transfer/Deed provided on the Title Transfer Date and acknowledged by the Purchaser at the Vendor's sole discretion.

Occupancy

23. (a) The Unit shall be deemed to be substantially completed when the interior work has been finished to the minimum standards allowed by the Municipality so that the Unit may be lawfully occupied notwithstanding that there remains other work within the Unit and/or the common elements to be completed. The Purchaser shall not occupy the Unit until the Municipality has permitted same or consented thereto, if such consent is required and the Occupancy Date shall be postponed until such required consent is given. The Purchaser shall not require the Vendor to provide or produce an occupancy permit, certificate or authorization from the Municipality other than the documentation required by the Tarion Addendum. Provided that the Vendor complies with the Tarion Addendum, the Purchaser acknowledges that the failure to complete the common elements before the Occupancy Date shall not be deemed to be failure to complete the Unit, and the Purchaser agrees to complete this transaction notwithstanding any claim submitted to the Vendor and/or to the TWC in respect of apparent deficiencies or incomplete work provided, always, that such incomplete work does not prevent occupancy of the Unit as, otherwise, permitted by the Municipality.

(b) The Vendor shall complete the construction of the Unit and the building in which the Unit is proposed to form a part of (the "Building") as soon as reasonably practicable, but the failure of the Vendor to fully complete such construction to the standards required in this Agreement by the Occupancy Date, or to fully complete or correct all outstanding, incomplete or deficient matters relating to the Unit and the Building, shall in no event entitle the Purchaser to refuse to take possession of the Unit on the Occupancy Date or to complete this transaction or to remit to Vendor the entire amount of the Purchase Price on the Title Transfer Date, or to maintain any holdback, set-off or deduction of any part thereof. The construction of the Unit shall be deemed to be completed when the Vendor's finishings have been substantially completed, notwithstanding that there remains work outside the Unit to be completed, including but not limited to painting, grading, paving, sodding and landscaping. The Vendor agrees to fully complete the construction of the Unit, the Building and any outstanding, incomplete or deficient items and any other matters relating to the Unit and the Building which are required by Tarion, within a reasonable period of time after the Title Transfer Date, having regard to weather conditions and the availability of equipment, supplies and labour, and Purchaser agrees that its only recourse against Vendor (and the declarant of the Condominium if not the Vendor) for a final and binding resolution of all such matters shall be through the processes administered by Tarion, who Purchaser and Vendor hereby appoint and constitute to be the sole and final arbiter of all such matters. Purchaser hereby indemnifies and saves Vendor (and the declarant of the Condominium if not the Vendor) harmless from all actions, causes of action, claims and demands for damages or loss which are brought by Purchaser in contravention of this provision, including without limitation, any claim against any third party that has the right of contribution or indemnity against the Vendor (and the declarant of the Condominium if not the Vendor).

(c) The Purchaser agrees that it and the Condominium shall have no rights as against the Vendor (and the declarant of the Condominium if not the Vendor) beyond those that are specifically granted to it under the Condominium Act or the Ontario New Home Warranties Plan Act or by Tarion. The Purchaser further agrees that its Condominium's only recourse against Vendor (and the declarant of the Condominium if not the Vendor) for a final and binding resolution of any outstanding, incomplete or deficient items and any other matters relating to the Unit and the Building shall be through the processes established for and administered by Tarion, who the Purchaser and the Vendor hereby appoint and constitute as the sole and final arbiter of all such matters. The Purchaser hereby indemnifies and saves the Vendor (and the declarant of the Condominium if not the Vendor) harmless from all actions, causes of actions, claims and demands for damages or loss which are brought by the Condominium in contravention of this provision, including without limitation, any claim against any third party that has the right of contribution or indemnity against the Vendor (and the declarant of the Condominium if not the Vendor).

(d) If the Unit is substantially complete and fit for occupancy on the Occupancy Date, as provided for in subparagraph (a) above, but the Creating Documents have not been registered, (or in the event the Condominium is registered prior to the Occupancy Date and closing documentation has yet to be prepared), the Purchaser shall pay to the Vendor a further amount on account of the Purchase Price specified in paragraph 1(b) hereof without adjustment save for any pro-rated portion of the Occupancy Fee described and calculated in Schedule "C", and the Purchaser shall occupy the Unit on the Occupancy Date pursuant to the Occupancy Licence attached hereto as Schedule "C".

Inspection

24. (a) The Purchaser or the Purchaser's designate as hereinafter provided agrees to meet the Vendor's representative at the date and time designated by the Vendor, prior to the Occupancy Date, to conduct a pre-delivery inspection of the Unit (the **"PDI"**) and to list all items remaining incomplete at the time of such inspection together with all mutually agreed deficiencies with respect to the Unit, on the TWC Certificate of Completion and Possession (the **"CCP"**) and the PDI Form, in the forms prescribed from time to time by, and required to be completed pursuant to the provisions of the ONHWPA. The said CCP and PDI Forms shall be executed by both the Purchaser or the Purchaser's designate and the Vendor's representative at the PDI and shall constitute the Vendor's only undertaking with respect to incomplete or deficient work and the Purchaser shall not require any further undertaking of the Vendor to complete any outstanding items. In the event that the Vendor performs any additional work to the Unit in its discretion, the Vendor shall not be deemed to have waived the provision of this paragraph or otherwise enlarged its obligations hereunder.

(b) The Purchaser acknowledges that the Homeowner Information Package as defined in TWC Bulletin 42 (the **"HIP"**) is available from TWC and that the Vendor further agrees to provide the HIP to the Purchaser or the Purchaser's designate, at or before the PDI. The Purchaser or the Purchaser's designate agrees to execute and provide to the Vendor the Confirmation of Receipt of the HIP forthwith upon receipt of the HIP.

(c) The Purchaser shall be entitled to send a designate to conduct the PDI in the Purchaser's place or attend with their designate, provided the Purchaser first provides to the Vendor a written authority appointing such designate for PDI prior to the PDI. If the Purchaser appoints a designate, the Purchaser acknowledges and

agrees that the Purchaser shall be bound by all of the documentation executed by the designate to the same degree and with the force and effect as if executed by the Purchaser directly.

(d) In the event the Purchaser and/or the Purchaser's designate fails to attend the PDI or fails to execute the CCP and PDI Forms at the conclusion of the PDI, the Vendor may declare the Purchaser to be in default under this Agreement and may exercise any or all of its remedies set forth in this Agreement of Purchase and Sale and/or at law. Alternatively, the Vendor may, at its option, complete the within transaction but not provide the keys to the Unit to the Purchaser until the CCP and PDI Forms have been executed by the Purchaser and/or its designate or complete the within transaction and complete the CCP and PDI Forms on behalf of the Purchaser and/or the Purchaser's designate and the Purchaser hereby irrevocably appoints the Vendor the Purchaser's attorney and/or agent and/or designate to complete the CCP and PDI Forms on the Purchaser's behalf and the Purchaser shall be bound as if the Purchaser or the Purchaser's designate had executed the CCP and PDI Forms.

(e) The Vendor may request that the Purchaser and/or the Purchaser's designate execute a Confirmation of Receipt of the HIP and in the event such Purchaser and/or Purchaser's designate fails to execute the Confirmation of Receipt of the HIP forthwith upon receipt thereof, the Vendor may declare the Purchaser to be in default under this Agreement and may exercise any or all of its remedies set forth in this Agreement of Purchase and Sale and/or at law.

Purchaser's Default

25. (a) In the event that the Purchaser is in default with respect to any of his or her obligations contained in this Agreement (other than paragraph 2(d) hereof) or in the Occupancy License on or before the Title Transfer Date and fails to remedy such default forthwith, if such default is a monetary default and/or pertains to the execution and delivery of documentation required to be given to the Vendor on the Occupancy Date or the Title Transfer Date, or within five (5) days of the Purchaser being so notified in writing with respect to any other non-monetary default, then the Vendor, in addition to (and without prejudice to) any other rights or remedies available to the Vendor (at law or in equity) may, at its sole option, unilaterally suspend all of the Purchaser's rights, benefits and privileges contained herein (including without limitation, the right to make colour and finish selections with respect to the Unit as hereinbefore provided or contemplated), and/or unilaterally declare this Agreement and the Occupancy License to be terminated and of no further force or effect. All monies paid hereunder (including the deposit monies paid or agreed to be paid by the Purchaser pursuant to this Agreement which sums shall be accelerated on demand of the Vendor), together with any interest earned thereon and monies paid or payable for extras or upgrades or changes ordered by the Purchaser, whether or not installed in the Dwelling, shall be forfeited to the Vendor. The Purchaser agrees that the forfeiture of the aforesaid monies shall not be a penalty and it shall not be necessary for the Vendor to prove it suffered any damages in order for the Vendor to be able to retain the aforesaid monies. The Vendor shall in such event still be entitled to claim damages from the Purchaser in addition to any monies forfeited to the Vendor. The aforesaid retention of monies is in addition to (and without prejudice to) any other rights or remedies available to the Vendor at law or in equity. In the event of the termination of this Agreement and/or the Occupancy License by reason of the Purchaser's default as aforesaid, then the Purchaser shall be obliged to forthwith vacate the Unit (or cause same to be forthwith vacated) if same has been occupied (and shall leave the Unit in a clean condition, without any physical or cosmetic damages thereto, and clear of all garbage, debris and any furnishings and/or belongings of the Purchaser), and shall execute such releases and any other documents or assurances as the Vendor may require, in order to confirm that the Purchaser does not have (and the Purchaser hereby covenants and agrees that he/she does not have) any legal, equitable or proprietary interest whatsoever in the Unit and/or the Property (or any portion thereof) prior to the completion of this transaction and the payment of the entire Purchase Price to the Vendor or the Vendor's solicitors as hereinbefore provided, and in the event the Purchaser fails or refuses to execute same, the Purchaser hereby appoints the Vendor to be his or her lawful attorney in order to execute such releases, documents and assurances in the Purchaser's name, place and stead, and in accordance with the provisions of the *Powers of Attorney Act,* R.S.O. 1990, as amended, and *Substitute Decisions Act*, 1992, as amended, the Purchaser hereby declares that this power of attorney may be exercised by the Vendor during any subsequent legal incapacity on the part of the Purchaser. In the event the Vendor's Solicitors or an Escrow Agent is/are holding any of the deposits in trust pursuant to this Agreement, then in the event of default as aforesaid, the Purchaser hereby releases the said solicitors or Escrow Agent from any obligation to hold the deposit monies, in trust, and shall not make any claim whatsoever against the said solicitors or Escrow Agent and the Purchaser hereby irrevocably directs and authorizes the said solicitors or Escrow Agent to deliver the said deposit monies and accrued interest, if any, to the Vendor.

(b) Notwithstanding subparagraph (a) above, the Purchaser acknowledges and agrees that if any amount, payment and/or adjustment which are due and payable by the Purchaser to the Vendor pursuant to this Agreement are not made and/or paid on the date due, but are subsequently accepted by the Vendor, notwithstanding the Purchaser's default, then such amount, payment and/or adjustment shall, until paid, bear interest at the rate equal to eight (8%) percent per annum above the bank rate as defined in subsection 19(2) of O. Reg. 48/01 to the Act at the date of default. In addition, in the event that the Purchaser delays the Occupancy Date or the Title Transfer Date, the Vendor shall have the right to charge Two Hundred Dollars ($200.00) per day as liquidated damages for each day of the delay plus a legal/administrative fee of Five Hundred Dollars ($500.00) towards the administration of a delayed occupancy or closing, as applicable, and to amend and/or create revised closing documentation. Furthermore, the Purchaser shall pay the Vendor's solicitor's fees in the amount of Two Hundred and Fifty Dollars ($250.00), plus applicable taxes and disbursements, for each letter or other form of notice sent to the Purchaser or the Purchaser's solicitor relating to any default by the Purchaser.

Common Elements

26. The Purchaser acknowledges that the Condominium will be constructed to Ontario Building Code requirements at the time of issuance of the building permit. The Purchaser covenants and agrees the Purchaser shall have no claims against the Vendor for any equal, higher or better standards of workmanship or materials. The Purchaser agrees that the foregoing may be pleaded by the Vendor as an estoppel in any action brought by the Purchaser or his/her successors in title against the Vendor. The Vendor may, from time to time, change, vary or modify in its sole discretion or at the instance of any governmental authority or mortgagee, any elevations, building specifications or site plans of any part of

the Condominium, to conform with any municipal or architectural requirements related to building codes, official plan or official plan amendments, zoning by-laws, committee of adjustment and/or land division committee decisions, municipal site plan approval or architectural control. Such changes may be to the plans and specifications existing at inception of the Condominium or as they existed at the time the Purchaser entered into this Agreement, or as illustrated on any sales material, including without limitation, brochures, models or otherwise. With respect to any aspect of construction, finishing or equipment, the Vendor shall have the right, without the Purchaser's consent, to substitute materials, for those described in this Agreement or in the plans or specifications, provided the substituted materials are in the judgment of the Vendor's architect, whose determination shall be final and binding, of equal or better quality. The Purchaser shall have no claim against the Vendor for any such changes, variances or modifications nor shall the Vendor be required to give notice thereof. The Purchaser hereby consents to any such alterations and agrees to complete the sale notwithstanding any such modifications.

Executions

27. The Purchaser agrees to provide to the Vendor's Solicitors on the Occupancy Date a clear and up-to-date Execution Certificate confirming that no executions are filed at the local Land Titles Office against the individual(s) in whose name title to the Unit is being taken.

Risk

28. The Unit shall be and remain at the risk of the Vendor until the Title Transfer Date, subject to the terms of the Occupancy Licence attached hereto as Schedule "C". If any part of the Condominium is damaged before the Creating Documents are registered, the Vendor may in its sole discretion either:

(a) make such repairs as are necessary to complete this transaction and, if necessary, delay the Occupancy Date in the manner permitted in the Tarion Addendum;

(b) terminate this Agreement and return to the Purchaser all deposit monies paid by the Purchaser to the Vendor, with interest payable under law if the damage to the Condominium has frustrated this Agreement at law; or

(c) apply to a court of competent jurisdiction for an order terminating the Agreement in accordance with the provisions of subsection 79(3) of the Act,

it being understood and agreed that all insurance policies and the proceeds thereof are to be for the benefit of the Vendor alone.

Tender/Teranet

29. (a) The parties waive personal tender and agree that tender, in the absence of any other mutually acceptable arrangement and subject to the provisions of paragraph 30 of this Agreement shall be validly made by the Vendor upon the Purchaser, by a representative of the Vendor attending at the offices of Harris, Sheaffer, LLP at 12:00 noon on the Title Transfer Date or the Occupancy Date as the case may be and remaining there until 5:00 p.m. and is ready, willing and able to complete the transaction. The Purchaser agrees that keys may be released to the Purchaser at the construction site or sales office or the Condominium building on the Occupancy Date or the Title Transfer Date, as applicable. The Vendor's advice that the keys are available shall be valid tender of possession of the Property to the Purchaser. In the event the Purchaser or his or her solicitor fails to appear or appears and fails to close, such attendance by the Vendor's representative (which includes the Vendor's Solicitors) shall be deemed satisfactory evidence that the Vendor is ready, willing and able to complete the sale at such time. Payment shall be tendered by certified cheque drawn on any Canadian chartered bank; and

(b) It is further provided that, notwithstanding subparagraph 29 (a) hereof, in the event the Purchaser or his or her solicitor advise the Vendor or its Solicitors, on or before the Occupancy Date or Title Transfer Date, as applicable, that the Purchaser is unable or unwilling to complete the purchase or take occupancy, the Vendor is relieved of any obligation to make any formal tender upon the Purchaser or his or her solicitor and may exercise forthwith any and all of its right and remedies provided for in this Agreement and at law.

30. As the electronic registration system (hereinafter referred to as the "**Teraview Electronic Registration System**" or "**TERS**") is operative in the applicable Land Titles Office in which the Property is registered, then at the option of the Vendor's solicitor, the following provisions shall prevail:

(a) The Purchaser shall be obliged to retain a solicitor, who is both an authorized TERS user and in good standing with the Law Society of Upper Canada to represent the Purchaser in connection with the completion of the transaction. The Purchaser shall authorize such solicitor, at the option of the Vendor's Solicitors, either execute an escrow closing agreement with the Vendor's Solicitor on the standard form recommended by the Law Society of Upper Canada (hereinafter referred to as the "**Escrow Document Registration Agreement**"), establishing the procedures and timing for completing this transaction or otherwise agree to be bound by the procedures set forth in the Escrow Document Registration Agreement.

(b) The delivery and exchange of documents, monies and keys to the Unit and the release thereof to the Vendor and the Purchaser, as the case may be:

(i) shall not occur contemporaneously with the registration of the Transfer/Deed (and other registerable documentation); and

(ii) shall be governed by the Escrow Document Registration Agreement, pursuant to which the solicitor receiving the documents, keys and/or certified funds will be required to hold same in escrow, and will not be entitled to release same except in strict accordance with the provisions of the Escrow Document Registration Agreement.

(c) The Purchaser expressly acknowledges and agrees that he or she will not be entitled to receive the Transfer/Deed to the Unit for registration until the balance of funds due on closing, in accordance with the statement of adjustments, are either remitted by certified cheque via personal delivery or by electronic funds transfer to the Vendor's solicitor (or in such other manner as the latter may direct) prior to the release of the Transfer/Deed for registration.

(d) Each of the parties hereto agrees that the delivery of any documents not intended for registration on title to the Unit may be delivered to the other party hereto by telefax transmission (or by a similar system reproducing the original or by electronic transmission of electronically signed documents through the Internet), provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto which may be by electronic signature. The party transmitting any such document shall also deliver the original of same (unless the document is an electronically signed document) to the recipient party by overnight courier sent the day of closing or within 7 business days of closing, if same has been so requested by the recipient party.

(e) Notwithstanding anything contained in this agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has:

(i) delivered all closing documents and/or funds to the Purchaser's solicitor in accordance with the provisions of the Escrow Document Registration Agreement and keys are made available for the Purchaser to pick up at the Vendor's sales or customer service office;

(ii) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and

(iii) has completed all steps required by TERS in order to complete this transaction that can be performed or undertaken by the Vendor's solicitor without the cooperation or participation of the Purchaser's solicitor;

without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents, keys and/or funds, and without any requirement to have an independent witness evidencing the foregoing.

General

31. The Vendor shall provide a statutory declaration on the Title Transfer Date that it is not a non-resident of Canada within the meaning of the ITA.

32. The Vendor and Purchaser agree to pay the costs of registration of their own documents and any tax in connection therewith.

33. The Vendor and the Purchaser agree that there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing.

34. This Offer and its acceptance is to be read with all changes of gender or number required by the context and the terms, provisions and conditions hereof shall be for the benefit of and be binding upon the Vendor and the Purchaser, and as the context of this Agreement permits, their respective heirs, estate trustees, successors and permitted assigns.

35. The Purchaser acknowledges that the suite area of the Unit, as may be represented or referred to by the Vendor or any sales agent, or which appear in any sales material is approximate only, and is generally measured to the outside of all exterior, corridor and stairwell walls, and to the centre line of all party walls separating one unit from another. NOTE: For more information on the method of calculating the floor area of any unit, reference should be made to Builder Bulletin No. 22 published by the TWC. Actual useable floor space may (therefore) vary from any stated or represented floor area or gross floor area, and the extent of the actual or useable living space within the confines of the Unit may vary from any represented square footage or floor area measurement(s) made by or on behalf of the Vendor. In addition, the Purchaser is advised that the floor area measurements are generally calculated based on the middle floor of the Condominium building for each suite type, such that units on lower floors may have less floor space due to thicker structural members, mechanical rooms, etc., while units on higher floors may have more floor space. Accordingly, the Purchaser hereby confirms and agrees that all details and dimensions of the Unit purchased hereunder are approximate only, and that the Purchase Price shall not be subject to any adjustment or claim for compensation whatsoever, whether based upon the ultimate square footage of the Unit, or the actual or useable living space within the confines of the Unit or otherwise. The Purchaser further acknowledges that the ceiling height of the Unit is measured from the upper surface of the concrete floor slab (or subfloor) to the underside surface of the concrete ceiling slab (or joists). However, where ceiling bulkheads are installed within the Unit, and/or where dropped ceilings are required, then the ceiling height of the Unit will be less than that represented, and the Purchaser shall correspondingly be obliged to accept the same without any abatement or claim for compensation whatsoever.

36. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

37. The headings of this Agreement form no part hereof and are inserted for convenience of reference only.

38. Each of the provisions of this Agreement shall be deemed independent and severable and the invalidity or unenforceability in whole or in part of any one or more of such provisions shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Agreement, and in such event all the other provisions of this Agreement shall continue in full force and effect as if such invalid provision had never been included herein. The Purchaser and the Vendor acknowledge and agree that this Agreement and all amendments and addenda thereto shall constitute an agreement made under seal.

39. (a) If any documents required to be executed and delivered by the Purchaser to the Vendor are, in fact, executed by a third party appointed as the attorney for the Purchaser, then the power of attorney appointing such person must be registered in the Land Titles office where the Lands are registered, and a duplicate registered

copy thereof (together with a statutory declaration sworn by the Purchaser's solicitor unequivocally confirming, without any qualification whatsoever, that said power of attorney has not been revoked) shall be delivered to the Vendor along with such documents.

(b) Where the Purchaser is a corporation, or where the Purchaser is buying in trust for another person or corporation for a disclosed or undisclosed beneficiary or principal (including, without limitation, a corporation to be incorporated), the execution of this Agreement by the principal or principals of such corporation, or by the person named as the Purchaser in trust as the case may be, shall be deemed and construed to constitute the personal indemnity of such person or persons so signing with respect to the obligations of the Purchaser herein and shall be fully liable to the Vendor for the Purchaser's obligations under this Agreement and may not plead such agency, trust relationship or any other relationships as a defence to such liability.

40. Delivery of an executed copy of this Agreement by facsimile or by electronic transmission in portable document format (PDF) or other similar electronic means is as effective as delivery of an originally executed copy thereof.

Notice

41. (a) Any notice required to be delivered under the provisions of the Tarion Addendum shall be delivered in the manner required by the terms of the Tarion Addendum. The Purchaser is hereby advised that the Vendor shall be entitled to send notices or communications to the Purchaser to the address, fax number and/or email address set out on the Tarion Addendum and that any such notice or communication is valid under the terms of this Agreement unless the Purchaser provides written notice of any change of address, fax number or email address to the Vendor in the manner contemplated by the terms of the Tarion Addendum.

(b) Any other notice given pursuant to the terms of this Agreement shall be deemed to have been properly given if it is in writing and is delivered by hand, ordinary prepaid post, facsimile transmission or electronic mail to the attention of the Purchaser or to the Purchaser's solicitor to their respective addresses indicated herein or to the address of the Unit after the Occupancy Date and to the Vendor at 125 Hazelton Avenue, Toronto, Ontario, M5R 2E4 or to the Vendor's Solicitors at the address indicated in this Agreement or such other address as may from time to time be given by notice in accordance with the foregoing. Such notice shall be deemed to have been received on the day it was delivered by hand, by electronic mail or by facsimile transmission and upon the third day following posting, excluding Saturdays, Sundays and statutory holidays. This agreement or any amendment or addendum thereto may, at the Vendor's option, be properly delivered if it delivered by facsimile transmission or if a copy of same is computer scanned and forwarded by electronic mail to the other party.

Material Change

42. The Purchaser acknowledges and agrees that the Vendor may, from time to time in its sole discretion, due to site conditions or constraints, or for marketing considerations, or for any other legitimate reason, including without limitation any request or requirement of any of the governmental authorities or any request or requirement of the Vendor's architect or other design consultants:

(a) change the Property's municipal address or numbering of the Unit (in terms of the unit number and/or level number ascribed to any one or more of the units comprising the Unit);

(b) add levels to the building, in which case, all levels above the new levels will be raised accordingly; and/or remove levels from the building, in which case, all levels above the eliminated levels will be lowered accordingly;

(c) change, vary or modify the plans and specifications pertaining to the Unit or the Condominium, or any portion thereof (including architectural, structural, engineering, landscaping, grading, mechanical, site servicing and/or other plans and specifications) from the plans and specifications existing at the inception of the project, or existing at the time that the Purchaser has entered into this Agreement, or as same may be illustrated in any sales brochure(s), model(s) in the sales office or otherwise, including without limitation, making any change to the total number of dwelling, parking, locker and/or other ancillary units intended to be created within the Condominium, and/or any change to the total number of levels or floors within the Condominium, as well as any changes or alterations to the design, style, size and/or configuration of any dwelling or other ancillary units within the Condominium;

(d) change, vary, or modify the number, size and location of any windows, column(s) and/or bulkhead(s) within or adjacent to (or comprising part of) the Unit, from the number, size and/or location of same as displayed or illustrated in any sales brochure(s), model(s) or floor plan(s) previously delivered or shown to the Purchaser, including the insertion or placement of any window(s), column(s) and/or bulkhead(s) in one or more locations within the Unit which have not been shown or illustrated in any sales brochure(s), model(s) or floor plan(s) previously delivered or shown to the Purchaser (regardless of the extent or impact thereof), as well as the removal of any window(s), column(s) and/or bulkhead(s) from any location(s) previously shown or illustrated in any sales brochure(s), model(s) in the sales office or otherwise; and/or

(e) change the layout of the Unit such that same is a mirror image of the layout shown to the Purchaser (or a mirror image of the layout illustrated in any sales brochure or other marketing material(s) delivered to the Purchaser);

and that the Purchaser shall have absolutely no claim or cause of action whatsoever against the Vendor or its sales representatives (whether based or founded in contract, tort or in equity) for any such changes, deletions, alterations or modifications, nor shall the Purchaser be entitled to any abatement or reduction in the Purchase Price whatsoever as a consequence thereof, nor any notice thereof (unless any such change, deletion, alteration or modification to the said plans and specifications is material in nature (as defined by the Act) and significantly affects the fundamental character, use or value of the Unit and/or the Condominium, in which case the Vendor shall be obliged to notify the Purchaser in writing of such change, deletion, alteration or modification as soon as reasonably possible after the Vendor proposes to

implement same, or otherwise becomes aware of same), and where any such change, deletion, alteration or modification to the said plans and specifications is material in nature, then the Purchaser's only recourse and remedy shall be the termination of this Agreement prior to the Title Transfer Date (and specifically within 10 days after the Purchaser is notified or otherwise becomes aware of such material change), and the return of the Purchaser's deposit monies, together with interest accrued thereon at the rate prescribed by the Act.

Cause of Action/Assignment

43. (a) The Purchaser acknowledges and agrees that notwithstanding any rights which he or she might otherwise have at law or in equity arising out of this Agreement, the Purchaser shall not assert any of such rights, nor have any claim or cause of action whatsoever as a result of any matter or thing arising under or in connection with this Agreement (whether based or founded in contract law, tort law or in equity, and whether for innocent misrepresentation, negligent misrepresentation, breach of contract, breach of fiduciary duty, breach of constructive trust or otherwise), against any person, firm, corporation or other legal entity, other than the person, firm, corporation or legal entity specifically named or defined as the Vendor herein, even though the Vendor may be (or may ultimately be found or adjudged to be) a nominee or agent of another person, firm, corporation or other legal entity, or a trustee for and on behalf of another person, firm, corporation or other legal entity, and this acknowledgment and agreement may be pleaded as an estoppel and bar against the Purchaser in any action, suit, application or proceeding brought by or on behalf of the Purchaser to assert any of such rights, claims or causes of action against any such third parties. Furthermore, the Purchaser and the Vendor acknowledge that this Agreement shall be deemed to be a contract under seal.

(b) At any time prior to the Title Transfer Date, the Vendor shall be permitted to assign this Agreement (and its rights, benefits and interests hereunder) to any person, firm, partnership or corporation registered as a vendor pursuant to the ONHWPA and upon any such assignee assuming all obligations under this Agreement and notifying the Purchaser or the Purchaser's solicitor of such assignment, the Vendor named herein shall be automatically released from all obligations and liabilities to the Purchaser arising from this Agreement, and said assignee shall be deemed for all purposes to be the vendor herein as if it had been an original party to this Agreement, in the place and stead of the Vendor.

Non-Merger

44. The covenants and agreements of each of the parties hereto shall not merge on the Title Transfer Date, but shall remain in full force and effect according to their respective terms, until all outstanding obligations of each of the parties hereto have been duly performed or fulfilled in accordance with the provisions of this Agreement. No further written assurances evidencing or confirming the non-merger of the covenants of either of the parties hereto shall be required or requested by or on behalf of either party hereto.

Notice/Warning Provisions

45. The Purchaser acknowledges that it is anticipated by the Vendor that in connection with the Vendor's application to the appropriate governmental authorities for draft plan of condominium approval certain requirements may be imposed upon the Vendor by various governmental authorities. These requirements (the "**Requirements**") usually relate to warning provisions to be given to Purchasers in connection with environmental or other concerns (such as warnings relating to noise levels, the proximity of the Condominium to major street, garbage storage and pickup, school transportation, and similar matters). Accordingly, the Purchaser covenants and agrees that (1) on the Occupancy Date, the Title Transfer Date or at any other time, as determined by the Vendor, the Purchaser shall execute any and all documents required by the Vendor acknowledging, inter alia, that the Purchaser is aware of the Requirements, and (2) if the Vendor is required to incorporate the Requirements into the final Condominium Documents the Purchaser shall accept the same, without in any way affecting this transaction. Notwithstanding the generality of the foregoing, the Purchaser agrees to be bound by the following warnings:

(a) The Condominium may be subject to various easements in the nature of a right of way in favour of adjoining and/or neighbouring land owners for utilities, construction and to permit ingress and egress to those properties.

(b) It is further acknowledged that one or more of the Development Agreements may require the Vendor to provide the Purchaser with certain notices, including without limitation, notices regarding such matters as land use, the maintenance of retaining walls, landscaping features and/or fencing, noise abatement features, garbage storage and pick-up, school transportation, and noise/vibration levels from adjacent roadways and/or nearby railway lines. The Purchaser agrees to be bound by the contents of any such notice(s), whether given to the Purchaser at the time that this Agreement has been entered into, or at any time thereafter up to the Title Transfer Date, and the Purchaser further covenants and agrees to execute, forthwith upon the Vendor's request, an express acknowledgment confirming the Purchaser's receipt of such notice(s) in accordance with (and in full compliance of) such provisions of the Development Agreement(s), if and when required to do so by the Vendor.

(c) Purchasers are hereby advised that the Condominium will be developed in accordance with any requirements that may be imposed, from time to time, by any governmental authority having jurisdiction and that the proximity of the Condominium to major arterial roadways (e.g. Yonge Street and Bloor Street), nearby commercial uses, including restaurants and vehicles loading and unloading goods and materials, rooftop air-conditioning units and exhaust louvers and pedestrian and vehicular traffic may result in the noise exposure levels affecting the Property to exceed the noise criteria established by the governmental authorities and that despite the inclusion of noise control features within the Condominium, noise levels from any of the aforementioned sources may continue to be of concern, occasionally interfering with some activities of the dwelling occupants in the Condominium. Central air-conditioning will be installed in the Condominium to achieve suitable indoor noise levels with closed windows, for traffic/transit activity noise control. Furthermore, where possible the air-conditioning condenser units will be located in a noise insensitive area.

(d) The Purchaser specifically acknowledges and agrees that the Condominium will be developed in accordance with any requirements that may be imposed from time to time by any of the City of Toronto, the Toronto Transit Commission (the "TTC") and any other governmental authorities or agencies having jurisdiction over the development of the Project, and that the proximity of the Lands to TTC operations may result in

emissions including smoke and other particulate matter, noise, vibration, electromagnetic interference, and stray current transmissions (collectively referred to as "Interferences") to the Lands and despite the inclusion of control features within the Condominium, Interferences from TTC transit operations may continue to be of concern, occasionally interfering with some activities of the dwelling occupants in the Condominium. Notwithstanding the above, the Purchaser agrees to indemnify and save harmless the Toronto Transit Commission and the City of Toronto from all claims, losses, judgments or actions arising or resulting from any and all Interferences. Furthermore, the Purchaser acknowledges and agrees that an electromagnetic, stray current and noise-warning clause similar to the one contained herein shall be inserted into any succeeding lease, sublease, or sales agreement and that this requirement shall be binding not only on the parties hereto but also their respective successors and assigns and shall not die with the closing of this transaction.

(e) The Purchaser acknowledges that the Condominium forms part of an overall mixed use development that is intended to also contain hotel and commercial/retail space which may be used in accordance with the governing zoning provisions and bylaws of the City of Toronto, as amended from time to time. Purchaser are advised that the Hotel Component and/or Commercial Component may include food service operators, and while any such business will be equipped with any necessary ventilation equipment, noise and odours typically associated with the operation of these facilities may occasionally inconvenience residential occupants.

(f) Various commercial businesses are located within the vicinity of this mixed-use development. Occasional off-site impacts, including odour, emissions and noise from these businesses may be expected.

(g) Purchasers are advised that:

(i) Noise levels caused by garage doors, the Condominium's cooling tower, emergency generator, bank of elevators, garbage chutes, mechanical equipment, stairs, doors, vents, shafts, move-in and ancillary facilities and areas, and by the Condominium's recreation facilities, may occasionally cause noise and inconvenience to the residential occupants;

(ii) As and when other Residential Units in the Condominium are being completed and/or moved into, excessive levels of noise, vibration, dust and/or debris are possible, and same may accordingly temporarily cause noise and inconvenience to the residential occupants; and

(iii) certain businesses which are permitted in the Hotel/Commercial Component including, but not limited to restaurants, may produce noises and/or odours that may cause inconvenience to the residential occupants.

(h) The Purchaser acknowledges being advised of the following notices from the Toronto District School Board:

(i) Prospective purchasers are advised that schools on sites designated for the Toronto District School Board in the community are not guaranteed. Attendance at schools in the area yet to be constructed is also not guaranteed. Pupils may be accommodated in temporary facilities and/or be directed to schools outside of the area.

(ii) Prospective purchasers are advised that school buses will not enter cul-de-sacs and pick up points will be generally located on through streets convenient to the Toronto District School Board. Additional pick up points will not be located with the subdivision until major construction activity has been completed.

(i) The Purchaser acknowledges being advised of the following notices from the Toronto Catholic District School Board: Prospective purchasers are advised that sufficient accommodation may not be available for students residing in this area, and that you are notified that students may be accommodated in temporary facilities and/or bussed to existing facilities outside the area. The Toronto Catholic District School Board will designate pick up points for the children to meet the bus on roads presently in existence or other pick up areas convenient to the Board.

(j) The Purchaser hereby acknowledges and agrees that the Declarant cannot guarantee (and will not be responsible for) the arrangement of a suitable move-in time for purposes of accommodating the Purchaser's occupancy of the residential unit on the Occupancy Date, (or any acceleration or extension thereof as hereinbefore provided), and that the Purchaser shall be solely responsible for directly contacting the Declarant's customer service office or property management office in order to make suitable booking arrangements with respect to the Condominium's service elevator, if applicable (with such booking being allotted on a "first come, first served" basis), and under no circumstances shall the Purchaser be entitled to any claim, refund, credit, reduction/abatement or set-off whatsoever against any portion of the Purchase Price, or against any portion of the common expenses or other adjustments with respect thereto (nor with respect to any portion of the monthly occupancy fees so paid or payable, if applicable) as a result of the service elevator not being available to accommodate the Purchaser moving into the Condominium on (or within any period of time after) or the Occupancy Date, (or any acceleration or extension thereof, as aforesaid).

(k) Purchasers are advised that such Residential Units have been supplied with a central air conditioning system which will allow windows and exterior doors to remain closed, thereby ensuring that the indoor sound levels are within the Municipality's and the Ministry of the Environment's noise criteria.

(l) Purchasers are advised that despite the inclusion of noise features in the area and within the building units, sounds levels due to increasing road traffic, downtown business, and activity within the Hotel/Commercial Component during both day and night hours, may on occasion interfere with some activities of the Residential Unit occupants as the sound levels may exceed the Ministry of the Environment's noise criteria; and that the Residential Units have been equipped with a central air conditioning system which will allow windows and exterior doors to remain closed, thereby ensuring that the indoor sound levels are within the Ministry of the Environment's noise criteria.

(m) In order to accommodate exterior window washing of the Building, purchasers of Residential Units are advised that, depending on the location of their Residential Unit in the Building, access to their suites or related terraces may be required to accommodate window washing equipment.

(n) The Purchaser is hereby advised that the Vendor's builder's risk and/or comprehensive liability insurance (effective prior to the registration of the Condominium), and the Condominium's master insurance policy (effective from and after the registration of the Condominium) will only cover the common elements and the standard unit and will not cover any betterments or improvements made to the standard unit, nor any furnishings or personal belongings of the Purchaser or other residents of the Unit, and accordingly the Purchaser should arrange for his or her own insurance coverage with respect to same, effective from and after the Occupancy Date, all at the Purchaser's sole cost and expense.

(o) The Purchaser acknowledges and agrees that the Vendor (and any of its authorized agents, representatives and/or contractors), as well as one or more authorized representatives of the Condominium, shall be permitted to enter the Unit after the Occupancy Date, from time to time, in order to enable the Vendor to correct outstanding deficiencies or incomplete work for which the Vendor is responsible, and to enable the Condominium to inspect the condition or state of repair of the Unit and undertake or complete any requisite repairs thereto (which the owner of the Unit has failed to do) in accordance with the Act.

(p) The Vender shall have the right to substitute any level in the Condominium with an alternative floor plate containing a modified design of units and/or number of units on the level. In the event that such modification becomes necessary, there shall be a reallocation of each owner's proportionate percentage and the budget shall be modified accordingly. The Purchaser acknowledges that none of the foregoing changes or revisions (if implemented) shall in any way be considered or construed as a material change to the disclosure statement prepared and delivered by the Vendor to the Purchaser in connection with this transaction.

(q) The Vendor reserves the right to increase or decrease the final number of residential, parking, locker and/or other ancillary units intended to be created within the Condominium, as well as the right to alter the design, style, size and/or configuration of the residential units ultimately comprised within the Condominium which have not yet been sold by the Vendor to any unit purchaser(s), all in the Vendor's sole discretion, and the Purchaser expressly acknowledges and agrees to the foregoing, provided that the final budget for the first year following registration of the Condominium is prepared in such a manner so that any such variance in the residential, parking, locker and/or other ancillary unit count will not affect, in any material or substantial way, the percentages of common expenses and common interests allocated and attributable to the residential, parking and/or locker units sold by the Vendor to the Purchaser. Without limiting the generality of the foregoing, the Purchaser further acknowledges and agrees that one or more residential units situate adjacent to one another may be combined or amalgamated prior to the registration of the Condominium, in which case the common expenses and common interests attributable to such proposed former units will be incorporated into one figure or percentage in respect of the final combined unit, and the overall residential unit count of the Condominium will be varied and adjusted accordingly. None of the foregoing changes or revisions (if implemented) shall in any way be considered or construed as a material change to the disclosure statement prepared and delivered by the Vendor to the Purchaser in connection with this transaction.

(r) Purchasers are advised that the Vendor's marketing material and site drawings and renderings ("Marketing Material") which they may have reviewed prior to the execution of this Agreement remains conceptual and that final building plans are subject to the final review and approval of any applicable governmental authority and the Vendor's design consultants and engineers, and accordingly such Marketing Material does not form part of this Agreement or the Vendor's obligations hereunder.

(s) It is currently anticipated that the groundwater that will originate and/or emanate from or through the foundation of the Building (and/or its appurtenant drainage system) will likely be discharged into storm sewer or sanitary system of the City of Toronto, in accordance with the provisions and requirements of the City's Municipal Code, Chapter 681, as amended from time to time. Purchasers are advised that the discharge of private water (water not purchased from the City of Toronto) including groundwater from the Overall Project to the City sewage works is prohibited by the relevant City regulations, subject to any exemption and the extent of same that may be granted by the City. The Declarant currently anticipates that it will likely not meet the relevant standards of the City that will permit the discharge of private water and/or groundwater into the City's sanitary sewer system and, accordingly, it is anticipated that the Condominium shall be obligated to enter into or assume a sanitary discharge agreement (the "SDA") with the City. The SDA shall provide that the Condominium must ensure that such discharged ground water is periodically tested and correspondingly meets or exceeds the acceptable chemical content limits outlined in, or prescribed by, the relevant City standards. As detailed in the budget statement, the City has imposed a per cubic meter charge as a fee for such discharge. When the Building is constructed, the Declarant will be obligated to conduct groundwater and geotechnical studies at which time, the Declarant and its engineers will be able to estimate an anticipated flow rate and utilize the then-current levy rate to establish the amount that the Condominium will be obligated to pay to the City in exchange for the right to pump the Condominium's private water and/or groundwater into the City's sanitary sewer system. Please be advised however that the rate of discharge is not ascertainable as of the date of this disclosure statement and that the rate is affected by weather, construction and other developments that occur in the vicinity of the Condominium and natural changes in the underground flows of groundwater and, therefore, the rate may increase or decrease. In addition, the City may increase the levy rate for the discharge of private water and/or groundwater and is permitted to do so. These charges will be included as a common expense of the Condominium and their inclusion and any increase thereto shall not be construed as a material change to this disclosure statement within the meaning of the Act.

(t) Purchasers are advised that vehicles may be inspected prior to being permitted into the Underground Parking Structure.

(u) Purchasers are advised that the suite designations will not necessarily correspond with the actual legal unit and level designations of the Condominium. The Declarant reserves the right to change suite numbers and unit and level designations as long as the location of the unit on the floor plan does not change.

(v) The numbering of levels for marketing and suite/level numbering purposes may not include levels 4, 13, 14, 24, 34, 44, 64,, however these levels will exist for legal purposes.

(w) Purchasers are advised that no residential owner shall be entitled to lease a unit for a term of less than the minimum term set out in the Declaration and such lease or agreement shall not contain an early termination provision.

(x) The Declarant shall have the right to substitute any level in the Condominium with an alternative floor plate containing a modified design of units and/or number of units on the level. In the event that such modification becomes necessary, there shall be a reallocation of each purchaser's proportionate percentage and the budget shall be modified accordingly and the units and level numbers shall be re-numbered accordingly. The Purchaser acknowledges that none of the foregoing changes or revisions (if implemented) shall in any way be considered or construed as a material change to the disclosure statement prepared and delivered by the Declarant to the Purchaser in connection with this transaction.

(y) Purchasers acknowledge that the Building includes exterior cross-bracing and strong linear elements intended to break up the massing of the Building into smaller elements which cross-bracing and exoskeleton type treatment will continue right through the tower element of the Building to provide consistency in the design of the building and to unify both the residential and commercial building elements of the Building. Purchasers are advised that such exterior cross-bracing and strong linear elements may impact or obstruct views from within Residential Units.

(z) Purchasers acknowledge the exterior lighting of the building is an architectural feature of the exterior façade. Building facade lighting is anticipated to include integrated spot lighting with shielded optics will highlight the key gestures of the building architecture. Luminaires will be mounted to the exterior building cladding at key moments using custom shrouding to control glare and shield luminaires from view during day lit hours. Purchasers are advised that such facade lighting may impact or obstruct views from within Residential Units.

Purchaser's Consent to the Collection and Limited Use of Personal Information

46. The Purchaser hereby consents to the Vendor's collection, use and disclosure of the Purchaser's personal information for the purpose of enabling the Vendor to proceed with the Purchaser's purchase of the Unit, completion of this transaction, and for post-closing and after-sales customer care purposes. Such personal information includes the Purchaser's name, home address, e-mail address, telefax/telephone number, age, date of birth, marital and residency status, social insurance number (only with respect to subparagraph (b) below), financial information, desired suite design(s), ancillary units purchased and colour/finish selections. In particular, but without limiting the foregoing, the Vendor may disclose such personal information to:

(a) Any relevant governmental authorities or agencies, including without limitation, the Land Titles Office (in which the Condominium is registered), the Ministry of Finance for the Province of Ontario (i.e. with respect to Land Transfer Tax), and the Canada Revenue Agency (i.e. with respect to HST);

(b) Canada Revenue Agency, to whose attention the T-5 interest income tax information return and/or the NR4 non-resident withholding tax information return is submitted (where applicable), which will contain or refer to the Purchaser's social insurance number or business registration number (as the case may be), as required by Regulation 201(1)(b)(ii) of the ITA, as amended;

(c) The Condominium for the purposes of facilitating the completion of the Condominium's voting, leasing and/or other relevant records and to the Condominium's property manager for the purposes of facilitating the issuance of notices, the collection of common expenses and/or implementing other condominium management/administration functions;

(d) any companies or legal entities that are associated with, related to or affiliated with the Vendor, other future condominium declarants that are likewise associated with, related to or affiliated with the Vendor (or with the Vendor's parent/holding company) and are developing one or more other condominium projects or communities that may be of interest to the Purchaser or members of the Purchaser's family, for the limited purposes of marketing, advertising and/or selling various products and/or services to the Purchaser and/or members of the Purchaser's family;

(e) any financial institution(s) providing (or wishing to provide) mortgage financing, banking and/or other financial or related services to the Purchaser and/or members of the Purchaser's family, with respect to the Unit, including without limitation, the Vendor's construction lender(s), the quantity surveyor monitoring the Project and its costs, the Vendor's designated construction lender(s), the Tarion Warranty Corporation and/or any warranty bond provider and/or excess condominium deposit insurer, required in connection with the development and/or construction financing of the Condominium and/or the financing of the Purchaser's acquisition of the Property from the Vendor;

(f) any insurance companies of the Vendor providing (or wishing to provide) insurance coverage with respect to the Property (or any portion thereof) and/or the common elements of the Condominium, and any title insurance companies providing (or wishing to provide) title insurance to the Purchaser or the Purchaser's mortgage lender(s) in connection with the completion of this transaction;

(g) any trades/suppliers or sub-trades/suppliers, who have been retained by or on behalf of the Vendor (or who are otherwise dealing with the Vendor) to facilitate the completion and finishing of the Unit and the installation of any extras or upgrades ordered or requested by the Purchaser;

(h) one or more providers of cable television, telephone, telecommunication, security alarm systems, hydro-electricity, meter reading services, chilled water/hot water, gas and/or other similar or related services to the Property (or any portion thereof) and/or the Condominium (collectively, the "**Utilities**"), unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to one or more of the Utilities;

(i) one or more third party data processing companies which handle or process marketing campaigns on behalf of the Vendor or other companies that are associated with, related to or affiliated with the Vendor, and who may send (by e-mail or other means) promotional literature/brochures about new condominiums and/or related services to the Purchaser and/or members of the Purchaser's family, unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to said third party data processing companies;

(j) the Vendor's solicitors, to facilitate the interim occupancy and/or final closing of this transaction, including the closing by electronic means via the Teraview Electronic Registration System, and which may (in turn) involve the disclosure of such personal information to an internet application service provider for distribution of documentation;

(k) any person, where the Purchaser further consents to such disclosure or disclosures required by law.

Any questions or concerns of the Purchaser with respect to the collection, use or disclosure of his or her personal information may be delivered to the Vendor at the address set out in the Tarion Addendum, Attention: Privacy Officer.

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SCHEDULE "A" of AGREEMENT OF PURCHASE AND SALE

UNIT PLAN/SKETCH/FLOOR PLAN

SCHEDULE "B" TO THE AGREEMENT OF PURCHASE AND SALE

FEATURES AND FINISHES

The following standard features and finishes are included in the Purchase Price for suites at ***The One***:

N.B.

Subject to paragraph 4 of the Agreement of Purchase and Sale attached hereto, the Vendor shall have the right to substitute other products and materials for those listed in this Schedule or provided for in the plans and specifications provided that the substituted products and materials are of a quality equal to, or better than, the products and materials so listed or so provided.

1. Floor and specific features will depend on the Vendor's package as selected
2. Natural projects (e.g. granite, marble and wood (if applicable)) are subject to natural variations in colour, veining and grain.
3. Ceramic tile and broadloom (if applicable) are subject to pattern, shade and colour and lot variations.
4. If the Unit is at a stage of construction which will enable the Vendor to permit the Purchaser to make colour and material choices from the Vendor's standard selections, then the Purchaser shall have until the Vendor's date designated by the Vendor (of which the Purchaser shall be given at least ten (10) days prior notice) to properly complete the Vendor's colour and material selection form. If the Purchaser fails to do so within such time period, the Vendor may irrevocably exercise the Purchaser's rights to colour and material selections hereunder and such selections shall be binding upon the Purchaser. No changes whatsoever shall be permitted in colours or materials so selected by the Vendor, except that the Vendor shall have the right to substitute other materials and items for those provided in this Schedule provided that such materials and items are of equal quality to or better than the materials and items set out herein.
5. The Purchaser acknowledges that there shall be no reduction in the price or credit for any standard feature listed herein which is omitted at the Purchaser's request.
6. References to model types or model numbers refer to current manufacturer's models. If these types or models change, the Vendor shall provide an equivalent model.
7. All dimensions, if any, are approximate. Actual useable floor space may vary from the stated floor area, if so stated.
8. All specifications and materials are subject to change without notice. E. & O.E.
9. Pursuant to this Agreement or this Schedule or pursuant to a supplementary agreement or purchase order, the Purchaser may have requested the Vendor to construct an additional feature within the Unit which is in the nature of an optional extra; if, as a result of building, construction or site conditions within the Unit or the Building, the Vendor is not able to construct such extra, then the Vendor may, by written notice to the Purchaser, terminate the Vendor's obligation to construct the extra. In such event, the Vendor shall refund to the Purchaser the monies, if any, paid by the Purchaser to the Vendor in respect of such extra, without interest and in all other respects this Agreement shall continue in full force and effect.
10. The Vendor shall have the right to substitute other products and materials for those listed in this Schedule, represented to the Purchaser or provided for in the plans and specifications provided that the substituted products and materials are of a quality equal to or better than the products and materials so listed or so provided. The determination of whether or not substituted materials and products are of equal or better quality shall be made by the Vendor's architect

E. & O.E.

SCHEDULE "C" TO AGREEMENT OF PURCHASE AND SALE

TERMS OF OCCUPANCY LICENCE

C.1 The transfer of title to the Unit shall take place on the Title Transfer Date upon which date, unless otherwise expressly provided for hereunder, the term of this Occupancy Licence shall be terminated.

C.2 The Purchaser shall pay or have paid to the Vendor, on or before the Occupancy Date, by certified cheque drawn on a Canadian chartered bank the amount set forth in paragraph 1(b) of this Agreement without adjustment. Upon payment of such amount on the Occupancy Date, the Vendor grants to the Purchaser a licence to occupy the Unit from the Occupancy Date.

C.3 The Purchaser shall pay to the Vendor the Occupancy Fee calculated as follows:

(a) the amount of interest payable in respect of the unpaid balance of the Purchase Price at the prescribed rate;

(b) an amount reasonably estimated by the Vendor on a monthly basis for municipal realty taxes attributable by the Vendor to the Unit; and

(c) the projected monthly common expense contribution for the Unit;

as an occupancy charge on the first day of each month in advance during Interim Occupancy, no part of which shall be credited as payments on account of the Purchase Price, but which payments shall be a charge for occupancy only. If the Occupancy Date is not the first day of the month, the Purchaser shall pay on the Occupancy Date a pro rata amount for the balance of the month by certified funds. The Purchaser shall deliver to the Vendor on or before the Occupancy Date a series of post-dated cheques as required by the Vendor for payment of the estimated monthly Occupancy Fee. The Occupancy Fee may be recalculated by the Vendor, from time to time based on revised estimates of the items which may be lawfully taken into account in the calculation thereof and the Purchaser shall pay to the Vendor such revised Occupancy Fee following notice from the Vendor. With respect to taxes, the Purchaser agrees that the amount estimated by the Vendor on account of municipal realty taxes attributed to the Unit shall be subject to recalculation based upon the real property tax assessment or reassessment of the Units and/or Condominium, issued by the municipality after the Title Transfer Date and the municipal tax mill rate in effect as at the date such assessment or reassessment is issued. The Occupancy Fee shall thereupon be recalculated by the Vendor and any amount owing by one party to the other shall be paid upon demand.

C.4 The Purchaser shall be allowed to remain in occupancy of the Unit during Interim Occupancy provided the terms of this Occupancy Licence and the Agreement have been observed and performed by the Purchaser. In the event the Purchaser breaches the terms of occupancy the Vendor in its sole discretion and without limitation of any other rights or remedies provided for in this Agreement or at law may terminate this Agreement and revoke the Occupancy Licence whereupon the Purchaser shall be deemed a trespasser and shall give up vacant possession forthwith. The Vendor may take whatever steps it deems necessary to obtain vacant possession and the Purchaser shall reimburse the Vendor for all costs it may incur.

C.5 At or prior to the time that the Purchaser takes possession of the Unit, the Purchaser shall execute and deliver to the Vendor any documents, directions, acknowledgments, assumption agreements or any and all other documents required by the Vendor pursuant to this Agreement, in the same manner as if the closing of the transaction was taking place at that time.

C.6 The Purchaser shall pay the monthly Occupancy Fee during Interim Occupancy and the Vendor shall destroy all unused post-dated Occupancy Fee cheques on or shortly after the Title Transfer Date.

C.7 The Purchaser agrees to maintain the Unit in a clean and sanitary condition and not to make any alterations, improvements or additions thereto without the prior written approval of the Vendor which may be unreasonably withheld. The Purchaser shall be responsible for all utility, telephone expenses, cable television service, or other charges and expenses billed directly to the occupant of the Unit by the supplier of such services and not the responsibility of the Corporation under the Condominium Documents.

C.8 The Purchaser's occupancy of the Unit shall be governed by the provisions of the Condominium Documents and the provisions of this Agreement. The Unit may only be occupied and used in accordance with the Condominium Documents and for no other purpose.

C.9 The Vendor covenants to proceed with all due diligence and dispatch to register the Creating Documents. If the Vendor for any reason whatsoever is unable to register the Creating Documents and therefore is unable to deliver a registrable Transfer/Deed to the Purchaser within twenty-four (24) months after the Occupancy Date, the Purchaser or Vendor shall have the right after such twenty-four (24) month period to give sixty (60) days written notice to the other, of an intention to terminate the Occupancy Licence and this Agreement. If the Vender and Purchaser consent to termination, the Purchaser shall give up vacant possession and pay the Occupancy Fee to such date, after which this Agreement and Occupancy Licence shall be terminated and all moneys paid to the Vendor on account of the Purchase Price shall be returned to the Purchaser together with interest required by the Act, subject however, to any repair and redecorating expenses of the Vendor necessary to restore the Unit to its original state of occupancy, reasonable wear and tear excepted. The Purchaser and Vendor each agree to provide a release of this Agreement in the Vendor's standard form. If the Vendor and Purchaser do not consent to termination, the provisions of subsection 79(3) of the Act may be invoked by the Vendor.

C.10 The Vendor and the Purchaser covenant and agree, notwithstanding the taking of possession, that all terms hereunder continue to be binding upon them and that the Vendor may enforce the provisions of the Occupancy Licence separate and apart from the purchase and sale provisions of this Agreement.

C.11 The Purchaser acknowledges that the Vendor holds a fire insurance policy on the Condominium including all aspects of a standard unit only and not on any improvements or betterments made by or on behalf of the Purchaser. It is the responsibility of the Purchaser, after the Occupancy Date, to insure the improvements or betterments to the Unit and to replace and/or repair same if they are removed, injured or destroyed as well as to obtain any other insurance required to be obtained by an owner pursuant to the provisions of the draft Declaration. The Vendor is not liable for the Purchaser's loss occasioned by fire, theft or other casualty, unless caused by the Vendor's willful conduct.

C.12 The Purchaser agrees to indemnify the Vendor for all losses, costs and expenses incurred as a result of the Purchaser's neglect, damage or use of the Unit or the Condominium, or by reason of injury to any person or property in or upon the Unit or the Condominium resulting from the negligence of the Purchaser, members of his immediate family, servants, agents, invitees, tenants, contractors and licensees. The Purchaser agrees that should the Vendor elect to repair or redecorate all or any part of the Unit or the Condominium as a result of the Purchaser's neglect, damage or use of the Unit or Condominium, he will immediately reimburse the Vendor for the cost of doing same, the determination of need for such repairs or redecoration shall be at the discretion of the Vendor, and such costs may be added to the Purchase Price.

C.13 In accordance with subsections 80(6)(d) and (e) of the Act, subject to strict compliance by the Purchaser with the requirements of occupancy set forth in this Agreement, the Purchaser shall not have the right to assign, sublet or in any other manner dispose of the Occupancy Licence during Interim Occupancy without the prior written consent of the Vendor which consent may be arbitrarily withheld. The Purchaser acknowledges that an administrative fee will be payable to the Vendor each time the Purchaser wishes to assign, sublet or dispose of the Occupancy License during Interim Occupancy.

C.14 The provisions set forth in this Agreement, unless otherwise expressly modified by the terms of the Occupancy Licence, shall be deemed to form an integral part of the Occupancy Licence. In the event the Vendor elects to terminate the Occupancy Licence pursuant to this Agreement following substantial damage to the Unit and/or the Condominium, the Occupancy Licence shall terminate forthwith upon notice from the Vendor to the Purchaser. If the Unit and/or the Condominium can be repaired within a reasonable time following damages as determined by the Vendor (but not, in any event, to exceed one hundred and eighty (180) days) and the Unit is, during such period of repairs uninhabitable, the Vendor shall proceed to carry out the necessary repairs to the Unit and/or the Condominium with all due dispatch and the Occupancy Fee shall abate during the period when the Unit remains uninhabitable; otherwise, the Purchaser shall vacate the Unit and deliver up vacant possession to the Vendor and all moneys, to the extent provided for in paragraph 20 hereof (excluding the Occupancy Fee paid to the Vendor) shall be returned to the Purchaser. It is understood and agreed that the proceeds of all insurance policies held by the Vendor are for the benefit of the Vendor alone.

SCHEDULE "D" TO AGREEMENT OF PURCHASE AND SALE

THE UNDERSIGNED being the Purchaser of the Unit hereby acknowledges having received from the Vendor with respect to the purchase of the Unit the following document on the date noted below:

1. A Disclosure Statement dated October 10, 2017, and accompanying documents in accordance with Section 72 of the Act.

2. A copy of the Agreement of Purchase and Sale (to which this acknowledgment is attached as a Schedule) executed by the Vendor and the Purchaser.

The Purchaser hereby acknowledges that receipt of the Disclosure Statement and accompanying documents referred to in paragraph 1 above may have been in an electronic format and that such delivery satisfies the Vendor's obligation to deliver a Disclosure Statement under the Act.

The Purchaser hereby acknowledges that the Condominium Documents required by the Act have not been registered by the Vendor, and agrees that the Vendor may, from time to time, make any modification to the Condominium Documents in accordance with its own requirements and the requirements of any mortgagee, governmental authority, examiner of Legal Surveys, the Land Registry Office or any other competent authority having jurisdiction to permit registration thereof.

The Purchaser further acknowledges and agrees that in the event there is a material change to the Disclosure Statement as defined in subsection 74(2) of the Act, the Purchaser's only remedy shall be as set forth in subsection 74(6) of the Act, notwithstanding any rule of law or equity to the contrary.

The Purchaser further acknowledges having been advised that the Purchaser shall be entitled to rescind or terminate the Agreement to which this Schedule is attached and obtain a refund of all deposit monies paid thereunder (together with all interest accrued thereon at the rate prescribed by the Act, if applicable), provided written notice of the Purchaser's desire to so rescind or terminate the Agreement is delivered to the Vendor or the Vendor's Solicitors within 10 days after the date set out below.

DATED at Toronto, this _____ day of _____, 201__.

WITNESS:)
)
) _____
) Purchaser
)
)
) _____
) Purchaser

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INSERT TARION ADDENDUM

CONDOMINIUM FORM
(TENTATIVE OCCUPANCY DATE)

Statement of Critical Dates

Delayed Occupancy Warranty

This Statement of Critical Dates forms part of the Addendum to which it is attached, which in turn forms part of the agreement of purchase and sale between the Vendor and the Purchaser relating to the Property. **The Vendor must complete all blanks set out below. Both the Vendor and Purchaser must sign this page.**
NOTE TO HOME BUYERS: ***Please visit Tarion's website: www.tarion.com for important information about all of Tarion's warranties including the Delayed Occupancy Warranty, the Pre-Delivery Inspection and other matters of interest to new home buyers. You can also obtain a copy of the Homeowner Information Package which is strongly recommended as essential reading for all home buyers. The website features a calculator which will assist you in confirming the various Critical Dates related to the occupancy of your home.***

VENDOR Mizrahi Development Group (The One) Inc.
Full Name(s)

PURCHASER _____
Full Name(s)

1. Critical Dates

The **First Tentative Occupancy Date**, which is the date that the Vendor anticipates the home will be completed and ready to move in, is: the 5th day of August, 2022.

The Vendor can delay Occupancy on one or more occasions by setting a subsequent **Tentative Occupancy Date**, in accordance with section 1 of the Addendum by giving proper written notice as set out in section 1.

By no later than 30 days after the Roof Assembly Date (as defined in section 12), with at least 90 days prior written notice, the Vendor shall set either (i) a **Final Tentative Occupancy Date**; or (ii) a **Firm Occupancy Date.**

For purchase agreements signed after the Roof Assembly Date, the First Tentative Occupancy Date is inapplicable and the Vendor shall instead elect and set either a Final Tentative Occupancy Date or Firm Occupancy Date.

the ___day of _____, 20___.
Final Tentative Occupancy Date

or

the ___day of _____, 20___.
Firm Occupancy Date

If the Vendor sets a Final Tentative Occupancy Date but cannot provide Occupancy by the Final Tentative Occupancy Date, then the Vendor shall set a **Firm Occupancy Date** that is no later than 120 days after the Final Tentative Occupancy Date, with proper written notice as set out in section 1 below.

If the Vendor cannot provide Occupancy by the Firm Occupancy Date, then the Purchaser is entitled to delayed occupancy compensation (see section 7 of the Addendum) and the Vendor must set a Delayed Occupancy Date which cannot be later than the Outside Occupancy Date.

The **Outside Occupancy Date**, which is the latest date by which the Vendor agrees to provide Occupancy, is: the 24th day of December, 2027.

2. Notice Period for an Occupancy Delay

Changing an Occupancy date requires proper written notice. The Vendor, without the Purchaser's consent, may delay Occupancy one or more times in accordance with section 1 of the Addendum and no later than the Outside Occupancy Date.
Notice of a delay beyond the First Tentative Occupancy Date must be given no later than: the 9th day of May, 2022.
(i.e., at least **90 days** before the First Tentative Occupancy Date), or else the First Tentative Occupancy Date automatically becomes the Firm Occupancy Date.

3. Purchaser's Termination Period

If the home is not complete by the Outside Occupancy Date, then the Purchaser can terminate the transaction during a period of **30 days** thereafter (the "**Purchaser's Termination Period**"), which period, unless extended by mutual agreement, will end on: the 24th day of January, 2028.
If the Purchaser terminates the transaction during the Purchaser's Termination Period, then the Purchaser is entitled to delayed occupancy compensation and to a full refund of all monies paid plus interest (*see sections 7, 10 and 11 of the Addendum*).

Note: ***Any time a Critical Date is set or changed as permitted in the Addendum, other Critical Dates may change as well. At any given time the parties must refer to: the most recent revised Statement of Critical Dates; or agreement or written notice that sets a Critical Date, and calculate revised Critical Dates using the formulas contained in the Addendum. Critical Dates can also change if there are unavoidable delays (see section 5 of the Addendum).***

Acknowledged this ____ day of _____, 20____.

VENDOR: _____ PURCHASER: _____

_____ _____

Addendum to Agreement of Purchase and Sale
Delayed Occupancy Warranty

This addendum, including the accompanying Statement of Critical Dates (the "**Addendum**"), forms part of the agreement of purchase and sale (the "**Purchase Agreement**") between the Vendor and the Purchaser relating to the Property. This Addendum is to be used for a transaction where the home is a condominium unit (that is not a vacant land condominium unit). This Addendum contains important provisions that are part of the delayed occupancy warranty provided by the Vendor in accordance with the *Ontario New Home Warranties Plan Act* (the "ONHWP Act"). If there are any differences between the provisions in the Addendum and the Purchase Agreement, then the Addendum provisions shall prevail. **PRIOR TO SIGNING THE PURCHASE AGREEMENT OR ANY AMENDMENT TO IT, THE PURCHASER SHOULD SEEK ADVICE FROM A LAWYER WITH RESPECT TO THE PURCHASE AGREEMENT OR AMENDING AGREEMENT, THE ADDENDUM AND THE DELAYED OCCUPANCY WARRANTY.**

Tarion recommends that Purchasers register on Tarion's **MyHome** on-line portal and visit Tarion's website – **tarion.com**, to better understand their rights and obligations under the statutory warranties.

The Vendor shall complete all blanks set out below.

VENDOR

Mizrahi Development Group (The One) Inc.			
Full Name(s)			
45585	125 Hazelton Avenue		
Tarion Registration Number	Address		
416-922-4200	Toronto	Ontario	M5R 2E4
Phone	City	Province	Postal Code
1-866-300-0219	reception@mizrahidevelopments.ca		
Fax	Email*		

PURCHASER

Full Name(s)			
Address	City	Province	Postal Code
Phone			
Fax	Email*		

PROPERTY DESCRIPTION

1-11 Bloor St. West, 768-784 Yonge St., 760-762 Yonge St., and 774-776 Yonge St.		
Municipal Address		
Toronto	Ontario	M6H 1M9
City	Province	Postal Code
Part of Park Lot 9, Concession 1, from the Bay in the Geographic Township of York		
Short Legal Description		

INFORMATION REGARDING THE PROPERTY

The Vendor confirms that:

(a) The Vendor has obtained Formal Zoning Approval for the Building. ◉ Yes ○ No
If no, the Vendor shall give written notice to the Purchaser within 10 days after the date that Formal Zoning Approval for the Building is obtained.

(b) Commencement of Construction: ◉ has occurred; or ○ is expected to occur by the _____ day of _____, 20____.

The Vendor shall give written notice to the Purchaser within 10 days after the actual date of Commencement of Construction.

***Note: Since important notices will be sent to this address, it is essential that you ensure that a reliable email address is provided and that your computer settings permit receipt of notices from the other party.**

SETTING AND CHANGING CRITICAL DATES

1. Setting Tentative Occupancy Dates and the Firm Occupancy Date

(a) **Completing Construction Without Delay**: The Vendor shall take all reasonable steps to complete construction of the Building subject to all prescribed requirements, to provide Occupancy of the home without delay, and, to register without delay the declaration and description in respect of the Building.
(b) **First Tentative Occupancy Date**: The Vendor shall identify the First Tentative Occupancy Date in the Statement of Critical Dates attached to this Addendum at the time the Purchase Agreement is signed.
(c) **Subsequent Tentative Occupancy Dates**: The Vendor may, in accordance with this section, extend the First Tentative Occupancy Date on one or more occasions, by setting a subsequent Tentative Occupancy Date. The Vendor shall give written notice of any subsequent Tentative Occupancy Date to the Purchaser at least 90 days before the existing Tentative Occupancy Date (which in this Addendum may include the First Tentative Occupancy Date), or else the existing Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. A subsequent Tentative Occupancy Date can be any Business Day on or before the Outside Occupancy Date.
(d) **Final Tentative Occupancy Date**: By no later than 30 days after the Roof Assembly Date, the Vendor shall by written notice to the Purchaser set either (i) a Final Tentative Occupancy Date; or (ii) a Firm Occupancy Date. If the Vendor does not do so, the existing Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. The Vendor shall give written notice of the Final Tentative Occupancy Date or Firm Occupancy Date, as the case may be, to the Purchaser at least 90 days before the existing Tentative Occupancy Date, or else the existing Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. The Final Tentative Occupancy Date or Firm Occupancy Date, as the case may be, can be any Business Day on or before the Outside Occupancy Date. For new Purchase Agreements signed after the Roof Assembly Date, the Vendor shall insert in the Statement of Critical Dates of the Purchase Agreement either: a Final Tentative Occupancy Date; or a Firm Occupancy Date
(e) **Firm Occupancy Date**: If the Vendor has set a Final Tentative Occupancy Date but cannot provide Occupancy by the Final Tentative Occupancy Date then the Vendor shall set a Firm Occupancy Date that is no later than 120 days after the Final Tentative Occupancy Date. The Vendor shall give written notice of the Firm Occupancy Date to the Purchaser at least 90 days before the Final Tentative Occupancy Date, or else the Final Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. The Firm Occupancy Date can be any Business Day on or before the Outside Occupancy Date.
(f) **Notice**: Any notice given by the Vendor under paragraph (c), (d) or (e) must set out the stipulated Critical Date, as applicable.

2. Changing the Firm Occupancy Date – Three Ways

(a) The Firm Occupancy Date, once set or deemed to be set in accordance with section 1, can be changed only:
  (i) by the Vendor setting a Delayed Occupancy Date in accordance with section 3;
  (ii) by the mutual written agreement of the Vendor and Purchaser in accordance with section 4; or
  (iii) as the result of an Unavoidable Delay of which proper written notice is given in accordance with section 5.
(b) If a new Firm Occupancy Date is set in accordance with section 4 or 5, then the new date is the "Firm Occupancy Date" for all purposes in this Addendum.

3. Changing the Firm Occupancy Date – By Setting a Delayed Occupancy Date

(a) If the Vendor cannot provide Occupancy on the Firm Occupancy Date and sections 4 and 5 do not apply, the Vendor shall select and give written notice to the Purchaser of a Delayed Occupancy Date in accordance with this section, and delayed occupancy compensation is payable in accordance with section 7.
(b) The Delayed Occupancy Date may be any Business Day after the date the Purchaser receives written notice of the Delayed Occupancy Date but not later than the Outside Occupancy Date.
(c) The Vendor shall give written notice to the Purchaser of the Delayed Occupancy Date as soon as the Vendor knows that it will be unable to provide Occupancy on the Firm Occupancy Date, and in any event at least 10 days before the Firm Occupancy Date, failing which delayed occupancy compensation is payable from the date that is 10 days before the Firm Occupancy Date, in accordance with paragraph 7(c). If notice of a new Delayed Occupancy Date is not given by the Vendor before the Firm Occupancy Date, then the new Delayed Occupancy Date shall be deemed to be the date which is 90 days after the Firm Occupancy Date.
(d) After the Delayed Occupancy Date is set, if the Vendor cannot provide Occupancy on the Delayed Occupancy Date, the Vendor shall select and give written notice to the Purchaser of a new Delayed Occupancy Date, unless the delay arises due to Unavoidable Delay under section 5 or is mutually agreed upon under section 4, in which case the requirements of those sections must be met. Paragraphs (b) and (c) above apply with respect to the setting of the new Delayed Occupancy Date.
(e) Nothing in this section affects the right of the Purchaser or Vendor to terminate the Purchase Agreement on the bases set out in section 10.

4. Changing Critical Dates – By Mutual Agreement

(a) This Addendum sets out a framework for setting, extending and/or accelerating Critical Dates, which cannot be altered contractually except as set out in this section 4. Any amendment not in accordance with this section is voidable at the option of the Purchaser. For greater certainty, this Addendum does not restrict any extensions of the Closing date (i.e., title transfer date) where Occupancy of the home has already been given to the Purchaser.

(b) The Vendor and Purchaser may at any time, after signing the Purchase Agreement, mutually agree in writing to accelerate or extend any of the Critical Dates. Any amendment which accelerates or extends any of the Critical Dates must include the following provisions:

(i) the Purchaser and Vendor agree that the amendment is entirely voluntary – the Purchaser has no obligation to sign the amendment and each understands that this purchase transaction will still be valid if the Purchaser does not sign this amendment;
(ii) the amendment includes a revised Statement of Critical Dates which replaces the previous Statement of Critical Dates;
(iii) the Purchaser acknowledges that the amendment may affect delayed occupancy compensation payable; and
(iv) if the change involves extending either the Firm Occupancy Date or the Delayed Occupancy Date, then the amending agreement shall:

i. disclose to the Purchaser that the signing of the amendment may result in the loss of delayed occupancy compensation as described in section 7;
ii. unless there is an express waiver of compensation, describe in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation; and
iii. contain a statement by the Purchaser that the Purchaser waives compensation or accepts the compensation referred to in clause ii above, in either case, in full satisfaction of any delayed occupancy compensation payable by the Vendor for the period up to the new Firm Occupancy Date or Delayed Occupancy Date.

If the Purchaser for his or her own purposes requests a change of the Firm Occupancy Date or the Delayed Occupancy Date, then subparagraphs (b)(i), (iii) and (iv) above shall not apply.

(c) A Vendor is permitted to include a provision in the Purchase Agreement allowing the Vendor a one-time unilateral right to extend a Firm Occupancy Date or Delayed Occupancy Date, as the case may be, for one (1) Business Day to avoid the necessity of tender where a Purchaser is not ready to complete the transaction on the Firm Occupancy Date or Delayed Occupancy Date, as the case may be. Delayed occupancy compensation will not be payable for such period and the Vendor may not impose any penalty or interest charge upon the Purchaser with respect to such extension.

(d) The Vendor and Purchaser may agree in the Purchase Agreement to any unilateral extension or acceleration rights that are for the benefit of the Purchaser.

5. Extending Dates – Due to Unavoidable Delay

(a) If Unavoidable Delay occurs, the Vendor may extend Critical Dates by no more than the length of the Unavoidable Delay Period, without the approval of the Purchaser and without the requirement to pay delayed occupancy compensation in connection with the Unavoidable Delay, provided the requirements of this section are met.

(b) If the Vendor wishes to extend Critical Dates on account of Unavoidable Delay, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, and an estimate of the duration of the delay. Once the Vendor knows or ought reasonably to know that an Unavoidable Delay has commenced, the Vendor shall provide written notice to the Purchaser by the earlier of: 20 days thereafter; and the next Critical Date.

(c) As soon as reasonably possible, and no later than 20 days after the Vendor knows or ought reasonably to know that an Unavoidable Delay has concluded, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, identifying the date of its conclusion, and setting new Critical Dates. The new Critical Dates are calculated by adding to the then next Critical Date the number of days of the Unavoidable Delay Period (the other Critical Dates changing accordingly), provided that the Firm Occupancy Date or Delayed Occupancy Date, as the case may be, must be at least 10 days after the day of giving notice unless the parties agree otherwise. Either the Vendor or the Purchaser may request in writing an earlier Firm Occupancy Date or Delayed Occupancy Date, and the other party's consent to the earlier date shall not be unreasonably withheld.

(d) If the Vendor fails to give written notice of the conclusion of the Unavoidable Delay in the manner required by paragraph (c) above, then the notice is ineffective, the existing Critical Dates are unchanged, and any delayed occupancy compensation payable under section 7 is payable from the existing Firm Occupancy Date.

(e) Any notice setting new Critical Dates given by the Vendor under this section shall include an updated revised Statement of Critical Dates.

EARLY TERMINATION CONDITIONS

6. Early Termination Conditions

(a) The Vendor and Purchaser may include conditions in the Purchase Agreement that, if not satisfied, give rise to early termination of the Purchase Agreement, but only in the limited way described in this section.

(b) The Vendor is not permitted to include any conditions in the Purchase Agreement other than: the types of Early Termination Conditions listed in Schedule A; and/or the conditions referred to in paragraphs (i), (j) and (k) below. Any other condition included in a Purchase Agreement for the benefit of the Vendor that is not expressly permitted under Schedule A or paragraphs (i), (j) and (k) below is deemed null and void and is not enforceable by the Vendor, but does not affect the validity of the balance of the Purchase Agreement.

(c) The Vendor confirms that this Purchase Agreement is subject to Early Termination Conditions that, if not satisfied (or waived, if applicable), may result in the termination of the Purchase Agreement. ⊗ Yes O No

(d) If the answer in (c) above is "Yes", then the Early Termination Conditions are as follows. The obligation of each of the Purchaser and Vendor to complete this purchase and sale transaction is subject to satisfaction (or waiver, if applicable) of the following conditions and any such conditions set out in an appendix headed "Early Termination Conditions":

Condition #1 (if applicable)
Description of the Early Termination Condition:

See Appendix

The Approving Authority (as that term is defined in Schedule A) is: _____

The date by which Condition #1 is to be satisfied is the _____day of_____, 20 _____.

Condition #2 (if applicable)
Description of the Early Termination Condition:

See Appendix

The Approving Authority (as that term is defined in Schedule A) is: _____

The date by which Condition #2 is to be satisfied is the _____day of _____, 20_____.

The date for satisfaction of any Early Termination Condition may be changed by mutual agreement provided in all cases it is set at least 90 days before the First Tentative Occupancy Date, and will be deemed to be 90 days before the First Tentative Occupancy Date if no date is specified or if the date specified is later than 90 days before the First Tentative Occupancy Date. This time limitation does not apply to the condition in subparagraph 1(b)(iv) of Schedule A which must be satisfied or waived by the Vendor within 60 days following the later of: (A) the signing of the Purchase Agreement; and (B) the satisfaction or waiver by the Purchaser of a Purchaser financing condition permitted under paragraph (k) below.

Note: The parties must add additional pages as an appendix to this Addendum if there are additional Early Termination Conditions.

(e) There are no Early Termination Conditions applicable to this Purchase Agreement other than those identified in subparagraph (d) above and any appendix listing additional Early Termination Conditions.

(f) The Vendor agrees to take all commercially reasonable steps within its power to satisfy the Early Termination Conditions identified in subparagraph (d) above.

(g) For conditions under paragraph 1(a) of Schedule A the following applies:

(i) conditions in paragraph 1(a) of Schedule A may not be waived by either party;
(ii) the Vendor shall provide written notice not later than five (5) Business Days after the date specified for satisfaction of a condition that: (A) the condition has been satisfied; or (B) the condition has not been satisfied (together with reasonable details and backup materials) and that as a result the Purchase Agreement is terminated; and
(iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed not satisfied and the Purchase Agreement is terminated.

(h) For conditions under paragraph 1(b) of Schedule A the following applies:

(i) conditions in paragraph 1(b) of Schedule A may be waived by the Vendor;
(ii) the Vendor shall provide written notice on or before the date specified for satisfaction of the condition that: (A) the condition has been satisfied or waived; or (B) the condition has not been satisfied nor waived, and that as a result the Purchase Agreement is terminated; and
(iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed satisfied or waived and the Purchase Agreement will continue to be binding on both parties.

(i) The Purchase Agreement may be conditional until Closing (transfer to the Purchaser of title to the home), upon compliance with the subdivision control provisions (section 50) of the *Planning Act* and, if applicable, registration of the declaration and description for the Building under the *Condominium Act, 1998*, which compliance shall be obtained by the Vendor at its sole expense, on or before Closing.

(j) The Purchaser is cautioned that there may be other conditions in the Purchase Agreement that allow the Vendor to terminate the Purchase Agreement due to the fault of the Purchaser.

(k) The Purchase Agreement may include any condition that is for the sole benefit of the Purchaser and that is agreed to by the Vendor (e.g., the sale of an existing dwelling, Purchaser financing or a basement walkout). The Purchase Agreement may specify that the Purchaser has a right to terminate the Purchase Agreement if any such condition is not met, and may set out the terms on which termination by the Purchaser may be effected.

MAKING A COMPENSATION CLAIM

7. Delayed Occupancy Compensation

(a) The Vendor warrants to the Purchaser that, if Occupancy is delayed beyond the Firm Occupancy Date (other than by mutual agreement or as a result of Unavoidable Delay as permitted under sections 4 and 5), then the Vendor shall compensate the Purchaser up to a total amount of $7,500, which amount includes: (i) payment to the Purchaser of a set amount of $150 a day for living expenses for each day of delay until the Occupancy Date or the date of termination of the Purchase Agreement, as applicable under paragraph (b) below; and (ii) any other expenses (supported by receipts) incurred by the Purchaser due to the delay.

(b) Delayed occupancy compensation is payable only if: (i) Occupancy and Closing occurs; or (ii) the Purchase Agreement is terminated or deemed to have been terminated under paragraph 10(b) of this Addendum. Delayed occupancy compensation is payable only if the Purchaser's claim is made to Tarion in writing within one (1) year after Occupancy, or after termination of the Purchase Agreement, as the case may be, and otherwise in accordance with this Addendum. Compensation claims are subject to any further conditions set out in the ONHWP Act.

(c) If the Vendor gives written notice of a Delayed Occupancy Date to the Purchaser less than 10 days before the Firm Occupancy Date, contrary to the requirements of paragraph 3(c), then delayed occupancy compensation is payable from the date that is 10 days before the Firm Occupancy Date.

(d) Living expenses are direct living costs such as for accommodation and meals. Receipts are not required in support of a claim for living expenses, as a set daily amount of $150 per day is payable. The Purchaser must provide receipts in support of any claim for other delayed occupancy compensation, such as for moving and storage costs. Submission of false receipts disentitles the Purchaser to any delayed occupancy compensation in connection with a claim.

(e) If delayed occupancy compensation is payable, the Purchaser may make a claim to the Vendor for that compensation after Occupancy or after termination of the Purchase Agreement, as the case may be, and shall include all receipts (apart from living expenses) which evidence any part of the Purchaser's claim. The Vendor shall assess the Purchaser's claim by determining the amount of delayed occupancy compensation payable based on the rules set out in section 7 and the receipts provided by the Purchaser, and the Vendor shall promptly provide that assessment information to the Purchaser. The Purchaser and the Vendor shall use reasonable efforts to settle the claim and when the claim is settled, the Vendor shall prepare an acknowledgement signed by both parties which:

  (i) includes the Vendor's assessment of the delayed occupancy compensation payable;
  (ii) describes in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation (the "Compensation"), if any; and
  (iii) contains a statement by the Purchaser that the Purchaser accepts the Compensation in full satisfaction of any delayed occupancy compensation payable by the Vendor.

(f) If the Vendor and Purchaser cannot agree as contemplated in paragraph 7(e), then to make a claim to Tarion the Purchaser must file a claim with Tarion in writing within one (1) year after Occupancy. A claim may also be made and the same rules apply if the sale transaction is terminated under paragraph 10(b), in which case, the deadline for a claim is one (1) year after termination.

(g) If delayed occupancy compensation is payable, the Vendor shall either pay the compensation as soon as the proper amount is determined; or pay such amount with interest (at the prescribed rate as specified in subsection 19(1) of O.Reg. 48/01 of the *Condominium Act, 1998*), from the Occupancy Date to the date of Closing, such amount to be an adjustment to the balance due on the day of Closing.

8. Adjustments to Purchase Price

Only the items set out in Schedule B (or an amendment to Schedule B), shall be the subject of adjustment or change to the purchase price or the balance due on Closing. The Vendor agrees that it shall not charge as an adjustment or readjustment to the purchase price of the home, any reimbursement for a sum paid or payable by the Vendor to a third party unless the sum is ultimately paid to the third party either before or after Closing. If the Vendor charges an amount in contravention of the preceding sentence, the Vendor shall forthwith readjust with the Purchaser. This section shall not: restrict or prohibit payments for items disclosed in Part I of Schedule B which have a fixed fee; nor shall it restrict or prohibit the parties from agreeing on how to allocate as between them, any rebates, refunds or incentives provided by the federal government, a provincial or municipal government or an agency of any such government, before or after Closing.

MISCELLANEOUS

9. Ontario Building Code – Conditions of Occupancy

(a) On or before the Occupancy Date, the Vendor shall deliver to the Purchaser:
  (i) an Occupancy Permit (as defined in paragraph (d)) for the home; or
  (ii) if an Occupancy Permit is not required under the Building Code, a signed written confirmation by the Vendor that all conditions of occupancy under the Building Code have been fulfilled and Occupancy is permitted under the Building Code.

(b) Notwithstanding the requirements of paragraph (a), to the extent that the Purchaser and the Vendor agree that the Purchaser shall be responsible for one or more prerequisites to obtaining permission for Occupancy under the Building Code, (the "Purchaser Occupancy Obligations"):
   (i) the Purchaser shall not be entitled to delayed occupancy compensation if the reason for the delay is that the Purchaser Occupancy Obligations have not been completed;
   (ii) the Vendor shall deliver to the Purchaser, upon fulfilling all prerequisites to obtaining permission for Occupancy under the Building Code (other than the Purchaser Occupancy Obligations), a signed written confirmation that the Vendor has fulfilled such prerequisites; and
   (iii) if the Purchaser and Vendor have agreed that such prerequisites (other than the Purchaser Occupancy Obligations) are to be fulfilled prior to Occupancy, then the Vendor shall provide the signed written confirmation required by subparagraph (ii) on or before the Occupancy Date.

(c) If the Vendor cannot satisfy the requirements of paragraph (a) or subparagraph (b)(ii), the Vendor shall set a Delayed Occupancy Date (or new Delayed Occupancy Date) on a date that the Vendor reasonably expects to have satisfied the requirements of paragraph (a) or subparagraph (b)(ii), as the case may be. In setting the Delayed Occupancy Date (or new Delayed Occupancy Date), the Vendor shall comply with the requirements of section 3, and delayed occupancy compensation shall be payable in accordance with section 7. Despite the foregoing, delayed occupancy compensation shall not be payable for a delay under this paragraph (c) if the inability to satisfy the requirements of subparagraph (b)(ii) is because the Purchaser has failed to satisfy the Purchaser Occupancy Obligations.

(d) For the purposes of this section, an "Occupancy Permit" means any written or electronic document, however styled, whether final, provisional or temporary, provided by the chief building official (as defined in the *Building Code Act*) or a person designated by the chief building official, that evidences that permission to occupy the home under the Building Code has been granted.

10. Termination of the Purchase Agreement

(a) The Vendor and the Purchaser may terminate the Purchase Agreement by mutual written agreement. Such written mutual agreement may specify how monies paid by the Purchaser, including deposit(s) and monies for upgrades and extras are to be allocated if not repaid in full.

(b) If for any reason (other than breach of contract by the Purchaser) Occupancy has not been given to the Purchaser by the Outside Occupancy Date, then the Purchaser has 30 days to terminate the Purchase Agreement by written notice to the Vendor. If the Purchaser does not provide written notice of termination within such 30-day period, then the Purchase Agreement shall continue to be binding on both parties and the Delayed Occupancy Date shall be the date set under paragraph 3(c), regardless of whether such date is beyond the Outside Occupancy Date.

(c) If: calendar dates for the applicable Critical Dates are not inserted in the Statement of Critical Dates; or if any date for Occupancy is expressed in the Purchase Agreement or in any other document to be subject to change depending upon the happening of an event (other than as permitted in this Addendum), then the Purchaser may terminate the Purchase Agreement by written notice to the Vendor.

(d) The Purchase Agreement may be terminated in accordance with the provisions of section 6.

(e) Nothing in this Addendum derogates from any right of termination that either the Purchaser or the Vendor may have at law or in equity on the basis of, for example, frustration of contract or fundamental breach of contract.

(f) Except as permitted in this section, the Purchase Agreement may not be terminated by reason of the Vendor's delay in providing Occupancy alone.

11. Refund of Monies Paid on Termination

(a) If the Purchase Agreement is terminated (other than as a result of breach of contract by the Purchaser), then unless there is agreement to the contrary under paragraph 10(a), the Vendor shall refund all monies paid by the Purchaser including deposit(s) and monies for upgrades and extras, within 10 days of such termination, with interest from the date each amount was paid to the Vendor to the date of refund to the Purchaser. The Purchaser cannot be compelled by the Vendor to execute a release of the Vendor as a prerequisite to obtaining the refund of monies payable as a result of termination of the Purchase Agreement under this paragraph, although the Purchaser may be required to sign a written acknowledgement confirming the amount of monies refunded and termination of the purchase transaction. Nothing in this Addendum prevents the Vendor and Purchaser from entering into such other termination agreement and/or release as may be agreed to by the parties.

(b) The rate of interest payable on the Purchaser's monies shall be calculated in accordance with the *Condominium Act, 1998*.

(c) Notwithstanding paragraphs(a) and (b) above, if either party initiates legal proceedings to contest termination of the Purchase Agreement or the refund of monies paid by the Purchaser, and obtains a legal determination, such amounts and interest shall be payable as determined in those proceedings.

12. Definitions

"Building" means the condominium building or buildings contemplated by the Purchase Agreement, in which the Property is located or is proposed to be located.

"Business Day" means any day other than: Saturday; Sunday; New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day; and any special holiday proclaimed by the Governor General or the Lieutenant Governor; and where New Year's Day, Canada Day or Remembrance Day falls on a Saturday or Sunday, the following Monday is

not a Business Day, and where Christmas Day falls on a Saturday or Sunday, the following Monday and Tuesday are not Business Days; and where Christmas Day falls on a Friday, the following Monday is not a Business Day.
"Closing" means completion of the sale of the home, including transfer of title to the home to the Purchaser.
"Commencement of Construction" means the commencement of construction of foundation components or elements (such as footings, rafts or piles) for the Building.
"Critical Dates" means the First Tentative Occupancy Date, any subsequent Tentative Occupancy Date, the Final Tentative Occupancy Date, the Firm Occupancy Date, the Delayed Occupancy Date, the Outside Occupancy Date and the last day of the Purchaser's Termination Period.
"Delayed Occupancy Date" means the date, set in accordance with section 3, on which the Vendor agrees to provide Occupancy, in the event the Vendor cannot provide Occupancy on the Firm Occupancy Date.
"Early Termination Conditions" means the types of conditions listed in Schedule A.
"Final Tentative Occupancy Date" means the last Tentative Occupancy Date that may be set in accordance with paragraph 1(d).
"Firm Occupancy Date" means the firm date on which the Vendor agrees to provide Occupancy as set in accordance with this Addendum.
"First Tentative Occupancy Date" means the date on which the Vendor, at the time of signing the Purchase Agreement, anticipates that the home will be complete and ready for Occupancy, as set out in the Statement of Critical Dates.
"Formal Zoning Approval" occurs when the zoning by-law required for the Building has been approved by all relevant governmental authorities having jurisdiction, and the period for appealing the approvals has elapsed and/or any appeals have been dismissed or the approval affirmed.
"Occupancy" means the right to use or occupy the home in accordance with the Purchase Agreement.
"Occupancy Date" means the date the Purchaser is given Occupancy.
"Outside Occupancy Date" means the latest date that the Vendor agrees to provide Occupancy to the Purchaser, as confirmed in the Statement of Critical Dates.
"Property" or "home" means the home being acquired by the Purchaser from the Vendor, and its interest in the related common elements.
"Purchaser's Termination Period" means the 30-day period during which the Purchaser may terminate the Purchase Agreement for delay, in accordance with paragraph 10(b).
"Roof Assembly Date" means the date upon which the roof slab, or roof trusses and sheathing, as the case may be, are completed. For single units in a multi-unit block, whether or not vertically stacked, (e.g., townhouses or row houses), the roof refers to the roof of the block of homes unless the unit in question has a roof which is in all respects functionally independent from and not physically connected to any portion of the roof of any other unit(s), in which case the roof refers to the roof of the applicable unit. For multi-story, vertically stacked units, (e.g. typical high rise) roof refers to the roof of the Building.
"Statement of Critical Dates" means the Statement of Critical Dates attached to and forming part of this Addendum (in form to be determined by Tarion from time to time), and, if applicable, as amended in accordance with this Addendum.
"The ONHWP Act" means the *Ontario New Home Warranties Plan Act* including regulations, as amended from time to time.
"Unavoidable Delay" means an event which delays Occupancy which is a strike, fire, explosion, flood, act of God, civil insurrection, act of war, act of terrorism or pandemic, plus any period of delay directly caused by the event, which are beyond the reasonable control of the Vendor and are not caused or contributed to by the fault of the Vendor.
"Unavoidable Delay Period" means the number of days between the Purchaser's receipt of written notice of the commencement of the Unavoidable Delay, as required by paragraph 5(b), and the date on which the Unavoidable Delay concludes.

13. Addendum Prevails

The Addendum forms part of the Purchase Agreement. The Vendor and Purchaser agree that they shall not include any provision in the Purchase Agreement or any amendment to the Purchase Agreement or any other document (or indirectly do so through replacement of the Purchase Agreement) that derogates from, conflicts with or is inconsistent with the provisions of this Addendum, except where this Addendum expressly permits the parties to agree or consent to an alternative arrangement. The provisions of this Addendum prevail over any such provision.

14. Time Periods, and How Notice Must Be Sent

(a) Any written notice required under this Addendum may be given personally or sent by email, fax, courier or registered mail to the Purchaser or the Vendor at the address/contact numbers identified on page 2 or replacement address/contact numbers as provided in paragraph (c) below. Notices may also be sent to the solicitor for each party if necessary contact information is provided, but notices in all events must be sent to the Purchaser and Vendor, as applicable. If email addresses are set out on page 2 of this Addendum, then the parties agree that notices may be sent by email to such addresses, subject to paragraph (c) below.
(b) Written notice given by one of the means identified in paragraph (a) is deemed to be given and received: on the date of delivery or transmission, if given personally or sent by email or fax (or the next Business Day if the date of delivery or transmission is not a Business Day); on the second Business Day following the date of sending by courier; or on the fifth Business Day following the date of sending, if sent by registered mail. If a postal stoppage or interruption occurs, notices shall not be sent by registered mail, and any notice sent by registered mail within 5

Business Days prior to the commencement of the postal stoppage or interruption must be re-sent by another means in order to be effective. For purposes of this section 14, Business Day includes Remembrance Day, if it falls on a day other than Saturday or Sunday, and Easter Monday.

(c) If either party wishes to receive written notice under this Addendum at an address/contact number other than those identified on page 2 of this Addendum, then the party shall send written notice of the change of address, fax number, or email address to the other party in accordance with paragraph (b) above.

(d) Time periods within which or following which any act is to be done shall be calculated by excluding the day of delivery or transmission and including the day on which the period ends.

(e) Time periods shall be calculated using calendar days including Business Days but subject to paragraphs (f), (g) and (h) below.

(f) Where the time for making a claim under this Addendum expires on a day that is not a Business Day, the claim may be made on the next Business Day.

(g) Prior notice periods that begin on a day that is not a Business Day shall begin on the next earlier Business Day, except that notices may be sent and/or received on Remembrance Day, if it falls on a day other than Saturday or Sunday, or Easter Monday.

(h) Every Critical Date must occur on a Business Day. If the Vendor sets a Critical Date that occurs on a date other than a Business Day, the Critical Date is deemed to be the next Business Day.

(i) Words in the singular include the plural and words in the plural include the singular.

(j) Gender-specific terms include both sexes and include corporations.

15. Disputes Regarding Termination

(a) The Vendor and Purchaser agree that disputes arising between them relating to termination of the Purchase Agreement under section 11 shall be submitted to arbitration in accordance with the *Arbitration Act, 1991* (Ontario) and subsection 17(4) of the ONHWP Act.

(b) The parties agree that the arbitrator shall have the power and discretion on motion by the Vendor or Purchaser or any other interested party, or of the arbitrator's own motion, to consolidate multiple arbitration proceedings on the basis that they raise one or more common issues of fact or law that can more efficiently be addressed in a single proceeding. The arbitrator has the power and discretion to prescribe whatever procedures are useful or necessary to adjudicate the common issues in the consolidated proceedings in the most just and expeditious manner possible. The *Arbitration Act, 1991* (Ontario) applies to any consolidation of multiple arbitration proceedings.

(c) The Vendor shall pay the costs of the arbitration proceedings and the Purchaser's reasonable legal expenses in connection with the proceedings unless the arbitrator for just cause orders otherwise.

(d) The parties agree to cooperate so that the arbitration proceedings are conducted as expeditiously as possible, and agree that the arbitrator may impose such time limits or other procedural requirements, consistent with the requirements of the *Arbitration Act, 1991* (Ontario), as may be required to complete the proceedings as quickly as reasonably possible.

(e) The arbitrator may grant any form of relief permitted by the *Arbitration Act, 1991* (Ontario), whether or not the arbitrator concludes that the Purchase Agreement may properly be terminated.

For more information please visit www.tarion.com

SCHEDULE A

Types of Permitted Early Termination Conditions

1. The Vendor of a condominium home is permitted to make the Purchase Agreement conditional as follows:

(a) upon receipt of Approval from an Approving Authority for:
- (i) a change to the official plan, other governmental development plan or zoning by-law (including a minor variance);
- (ii) a consent to creation of a lot(s) or part-lot(s);
- (iii) a certificate of water potability or other measure relating to domestic water supply to the home;
- (iv) a certificate of approval of septic system or other measure relating to waste disposal from the home;
- (v) completion of hard services for the property or surrounding area (i.e., roads, rail crossings, water lines, sewage lines, other utilities);
- (vi) allocation of domestic water or storm or sanitary sewage capacity;
- (vii) easements or similar rights serving the property or surrounding area;
- (viii) site plan agreements, density agreements, shared facilities agreements or other development agreements with Approving Authorities or nearby landowners, and/or any development Approvals required from an Approving Authority; and/or
- (ix) site plans, plans, elevations and/or specifications under architectural controls imposed by an Approving Authority.

The above-noted conditions are for the benefit of both the Vendor and the Purchaser and cannot be waived by either party.

(b) upon:
- (i) receipt by the Vendor of confirmation that sales of condominium dwelling units have exceeded a specified threshold by a specified date;
- (ii) receipt by the Vendor of confirmation that financing for the project on terms satisfactory to the Vendor has been arranged by a specified date;
- (iii) receipt of Approval from an Approving Authority for a basement walkout; and/or
- (iv) confirmation by the Vendor that it is satisfied the Purchaser has the financial resources to complete the transaction.

The above-noted conditions are for the benefit of the Vendor and may be waived by the Vendor in its sole discretion.

2. The following definitions apply in this Schedule:

"Approval" means an approval, consent or permission (in final form not subject to appeal) from an Approving Authority and may include completion of necessary agreements (i.e., site plan agreement) to allow lawful access to and use and occupancy of the property for its intended residential purpose.
"Approving Authority" means a government (federal, provincial or municipal), governmental agency, Crown corporation, or quasi-governmental authority (a privately operated organization exercising authority delegated by legislation or a government).

3. Each condition must:

(a) be set out separately;
(b) be reasonably specific as to the type of Approval which is needed for the transaction; and
(c) identify the Approving Authority by reference to the level of government and/or the identity of the governmental agency, Crown corporation or quasi-governmental authority.

4. For greater certainty, the Vendor is not permitted to make the Purchase Agreement conditional upon:

(a) receipt of a building permit;
(b) receipt of an occupancy permit; and/or
(c) completion of the home.

SCHEDULE B

Adjustments to Purchase Price or Balance Due on Closing

PART I Stipulated Amounts/Adjustments

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing, the dollar value of which is stipulated in the Purchase Agreement and set out below.

[Draft Note: List items with any necessary cross-references to text in the Purchase Agreement.]

1. See Schedule "B" following page 12

2.

3.

PART II All Other Adjustments – to be determined in accordance with the terms of the Purchase Agreement

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing which will be determined after signing the Purchase Agreement, all in accordance with the terms of the Purchase Agreement.

[Draft Note: List items with any necessary cross-references to text in the Purchase Agreement.]

1. See Schedule "B" following page 12

2.

3.

MIZRAHI
DEVELOPMENTS

SCHEDULE B

TO ADDENDUM
TO AGREEMENT OF PURCHASE AND SALE

Adjustments to Purchase Price or Balance Due on Closing

PART I Stipulated Amounts/Adjustments

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing, the dollar value of which is stipulated in the Purchase Agreement and set out below.

	DESCRIPTION	SECTION	AMOUNT
1.	Levies	6(d)(ii)	$11,900 plus HST $13,900 plus HST $15,900 plus HST
2.	Certain amendments (after 60 days prior to Occupancy Date)	6(e)	$350 plus applicable taxes
3.	Unaccepted cheque	6(j)	$300 per cheque plus applicable taxes
4.	Fees and liquidated damages for Purchasers Delaying Occupancy. Vendor's solicitor's fees for default letters, etc.	25(b)	$200 plus HST per day and $500 plus HST per extension $250 plus HST per letter or other form of notice

PART II All other Adjustments – to be determined in accordance with the terms of the Purchase Agreement

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing which will be determined after signing the Purchase Agreement, all in accordance with the terms of the Purchase Agreement.

	DESCRIPTION	SECTION
1.	Utility costs	6(a)(i)
2.	Occupancy Fees and other amounts	6(a)(ii); 23(b); Schedule C to Purchase Agreement
3.	Realty taxes	6(b)(i)
4.	Common expense contributions	6(b)(ii)
5.	Any new taxes or increases to existing taxes	6(d)(i)
6.	Parks levy or any other contribution(s) or charges, including charges pursuant to a section 37 agreement	6(d)(iii)
7.	TWC enrolment fee	6(d)(iv)
8.	Unpaid amounts, including upgrades, extras and/or changes	6(d)(v)
9.	Utility meters, connection, installation, energization, etc. charges	6(d)(vi)
10.	Any other additional or further adjustments agreed to in writing between the Vendor and Purchaser subsequent to the execution of this Agreement.	6(d)(vii)
11.	Any cost related to rental or leased furnace/HVAC system	6(f)
12.	Utility Supplier(s) deposit(s)	6(g)
13.	HST Rebate where Purchaser does not qualify for the Rebate	6(h)
14.	HST on adjustments, extras or upgrades or changes	6(i)
15.	Deposit to Condominium Corporation for utilities.	6(k)
16.	Removing unauthorized title registrations	16
17.	Interest and liquidated damages	25(b)

MIZRAHI
DEVELOPMENTS

APPENDIX TO ADDENDUM
TO AGREEMENT OF PURCHASE AND SALE
EARLY TERMINATION CONDITIONS

The Early Termination Conditions referred to in paragraph 6(d) of the Tarion Addendum are as follows:

CONDITIONS PERMITTED IN PARAGRAPH 1 (b) OF SCHEDULE "A" TO THE TARION ADDENDUM

1. **Description of Early Termination Condition:**

   This Agreement is conditional upon the Vendor entering into binding Agreements of Purchase and Sale for the sale of 85% of the Residential Units within the Condominium.

   The date by which this Condition is to be satisfied is the 31st day of December, 2019.

2. **Description of Early Termination Condition:**

   This Agreement is conditional upon the Vendor obtaining financing for the construction of the project on terms satisfactory to it in its sole and absolute discretion.

   The date by which this Condition is to be satisfied is the 31st day of December, 2019.

3. **Description of Early Termination Condition:**

   This Agreement is conditional upon the Vendor being satisfied, in its sole and absolute discretion, with the credit worthiness of the Purchaser. The Vendor shall have sixty (60) days from the date of acceptance of this Agreement by the Vendor to satisfy itself with respect to such credit worthiness. The Purchaser covenants and agrees to provide all requisite information and materials including proof respecting income and source of funds or evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor, confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Title Transfer Date, as the Vendor may require to determine the Purchaser's credit worthiness.

   The date by which this Condition is to be satisfied is the 60th day following the date of the acceptance of this Agreement by the Vendor.

APPENDIX "J"
GENERAL COMMUNICATIONS TO UNIT PURCHASERS

Alvarez & Marsal Canada Inc.
Licensed Insolvency Trustees
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1
Phone: +1 416 847 5200
Fax: +1 416 847 5201

October 20, 2023

DELIVERED BY EMAIL

Dear: Pre-Construction Purchaser

Re: Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc., and Mizrahi Commercial (The One) GP Inc. (together, the "Debtors")

As you may have recently learned, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Receivership Order**"), Alvarez & Marsal Canada Inc. has been appointed as receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including in connection with the development of the 85-storey condominium, hotel and retail tower located at the southwest corner of Yonge and Bloor in Toronto (the "**The One Project**").

Over the last few years, like many other large-scale construction projects, The One Project has faced various economic headwinds, including impacts from the Covid-19 pandemic, supply chain disruptions and unanticipated work stoppages, which together with other factors have resulted in material cost overages and extended construction timelines.

The principal purpose of these receivership proceedings is to create a stabilized environment for the continued construction of The One Project, to secure additional financing needed from The One Project's existing senior secured lenders for ongoing construction, and to assess and implement the best means of maximizing the value of The One Project.

Here's what this means for you:

- Arrangements have been put in place to provide for the continuing construction and development of The One Project.

- Additional financing commitments have been secured from the Debtors' existing senior secured lenders that will provide the Receiver with up to $315 million to fund ongoing construction and development costs, among other expenses.

- The Receiver has not yet had an opportunity to review any of the existing condominium sales agreements entered into to date. As part of its near-term activities and as contemplated by the agreement in respect of the above-noted financing commitments, the Receiver will review such agreements in conjunction with a review of the fair market value of the applicable unit to determine what, if any, steps will be taken with respect to these agreements. Following this review, additional information will be made available to pre-construction purchasers.

- In respect of deposits made in connection with existing condominium sales agreements, the *Condominium Act* (Ontario) requires that deposits be held in trust until, among other things, sufficient security for such deposits has been provided. That security includes insurance coverage by Tarion Warranty Corporation, which provides deposit protection for the first $20,000 of a purchaser's deposit, as well as third-party excess deposit insurance for deposit amounts in excess of $20,000 that are released from trust. The Receiver understands that excess deposit insurance has been obtained from Aviva Insurance Company of Canada Inc. such that deposit funds were used to fund the construction and development of The One Project.

Court filings and additional information concerning the receivership proceedings are available at the Receiver's website at www.alvarezandmarsal.com/theone. Should you have any questions regarding the foregoing, you may contact the Receiver by emailing theone@alvarezandmarsal.com or calling 1-855-499-1480.

As indicated above, the Receiver will be reviewing and considering all contracts relating to The One Project, including existing condominium sales agreements. Nothing in this letter shall be construed to constitute an affirmation of any contract by the Receiver, and the Receiver expressly disclaims any personal liability under or in connection with any such contract.

Yours very truly,

ALVAREZ & MARSAL CANADA INC.
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER 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

Alvarez & Marsal Canada Inc.
Licensed Insolvency Trustees
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1
Phone: +1 416 847 5200
Fax: +1 416 847 5201

February 27, 2024

DELIVERED BY EMAIL

Dear: Condominium Unit Purchaser

Re: Replacement of the General Contractor and Developer on The One Project

As you are aware, on October 18, 2023, pursuant to the Order (Appointing Receiver) (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), Alvarez & Marsal Canada Inc. was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc. and Mizrahi Commercial (The One) GP Inc. (collectively, the "**Debtors**") acquired for, or used in relation to, a business carried on by the Debtors, including in connection with the development of an 85-storey condominium, hotel and retail tower located at the southwest corner of Yonge Street and Bloor Street West in Toronto, Ontario (the "**The One Project**").

We write to you in our capacity as Receiver to advise you that on February 26, 2024, the Receiver issued a notice of disclaimer to Mizrahi Inc. in its capacity as the general contractor and developer of The One Project (the "**Notice of Disclaimer**"), effective as of March 13, 2024. The Notice of Disclaimer was issued pursuant to paragraph 5 of the Receivership Order and disclaims both the Construction Management Agreement and the GC Agreement (each as defined in the Receivership Order).

We further advise you that effective March 13, 2024, the Receiver has engaged SKYGRiD Construction Inc. to act as the new construction manager in respect of The One Project, and to continue the development and construction of The One Project in the ordinary course. Knightsbridge Development Corporation will continue in its role as the Receiver's project manager.

Going forward, Mizrahi Inc., Sam M Inc. and Sam Mizrahi, and any other Mizrahi-affiliated entities, will have no continued involvement or association with the development and construction of The One Project.

The Receiver has an upcoming motion scheduled with the Court on March 7, 2024 in which it is seeking the approval of two proposed orders: a Construction Continuance and Ancillary Relief Order and a Lien Regularization Order. These orders are being sought to ensure minimal disruption to the stability and continuing construction of The One Project during the transition to the new construction manager.

The Receiver does not anticipate that this transition will impact existing condominium sale agreements in any way. Going forward:

- Construction and development of The One Project is expected to continue.

- At the commencement of the receivership proceedings, the Receiver secured financing in the amount of up to $315 million to fund ongoing construction of The One Project and costs of the receivership. Since the commencement of the Receivership on October 18, 2023, the Receiver has disbursed approximately $70 million from such financing. Accordingly, up to $245 million of financing remains available.

- The Receiver continues to review and consider its options in respect of the existing condominium sale agreements to determine what, if any, steps will be taken with respect to these agreements. Following completion of this review, additional information will be made available to unit purchasers.

Court filings and additional information concerning the receivership proceedings are available at the Receiver's website at www.alvarezandmarsal.com/theone. Should you have any questions regarding the foregoing, you may contact the Receiver by emailing theone@alvarezandmarsal.com or calling 1-855-499-1480.

The Receiver continues to review and consider all contracts relating to The One Project, including existing condominium sale agreements. Nothing in this letter shall be construed to constitute an affirmation or assumption of any contract by the Receiver, and the Receiver expressly disclaims any personal liability under or in connection with any such contract.

Yours very truly,

ALVAREZ & MARSAL CANADA INC.,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER 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

Alvarez & Marsal Canada Inc.
Licensed Insolvency Trustees
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1
Phone: +1 416 847 5200
Fax: +1 416 847 5201

March 27, 2024

DELIVERED BY EMAIL

Dear Condominium Unit Purchaser:

Re: Occupancy of Condominium Units in The One Project

On October 18, 2023, pursuant to the Order (Appointing Receiver) (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), Alvarez & Marsal Canada Inc. was appointed as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc. and Mizrahi Commercial (The One) GP Inc. (collectively, the "**Debtors**") acquired for, or used in relation to, a business carried on by the Debtors, including in connection with the development of an 85-storey condominium, hotel and retail tower located at the southwest corner of Yonge Street and Bloor Street West in Toronto, Ontario (the "**Project**").

We write to you in our capacity as Receiver to provide an update with respect to our ongoing review of the Project, including our ongoing review of matters pertaining to existing condominium sales agreements (each a "**CSA**").

Each CSA is subject to the provisions set out in the Tarion Home Warranty Addendum, which includes a Statement of Critical Dates. The Receiver has reviewed the Statement of Critical Dates for each CSA and has noted that the vast majority of CSAs contemplate a First Tentative Occupancy Date of June 28, 2024. As the Receiver outlined in its First Report to the Court dated February 26, 2024, as of October 31, 2023, less than fifty percent (50%) of the Project had been completed. **Accordingly, condominium units in the Project will not be ready for occupancy by June 28, 2024, and are not expected to be ready for occupancy in the 2024 calendar year.**

The Receiver, with the assistance of its advisors, is undertaking a review of the Project's construction schedule with a view to identifying an accurate timeline for the completion of the Project. Additional information will be made available when this review is complete.

In the meantime, please note the following:

- Construction and development of the Project is continuing and the transition of construction management from Mizrahi Inc. to SKYGRiD Construction Inc. has commenced smoothly with no material disruption.

- The Receiver, with the assistance of its advisors, is in the process of developing a sale and investment solicitation process (the "**SISP**") in respect of the Project that will seek to identify a value maximizing transaction. The Receiver will be seeking Court approval of the SISP in the near term.

- The Receiver is in the process of developing a plan with respect to the treatment of CSAs. The Receiver expects to seek Court approval of any CSA plan prior to its implementation and will provide you with notice of same.

The Receiver continues to review and consider all contracts relating to the Project, including the CSAs. Nothing in this letter shall be construed to constitute an affirmation or assumption of any CSA by the Receiver, and the Receiver expressly disclaims any personal liability under or in connection with any CSA. The Receiver reserves the right to disclaim any CSA in accordance with the Receivership Order or as may otherwise be ordered by the Court.

Court filings and additional information concerning the receivership proceedings are available at the Receiver's website at www.alvarezandmarsal.com/theone. Should you have any questions regarding the foregoing, you may contact the Receiver by emailing theone@alvarezandmarsal.com or calling 1-855-499-1480.

Yours very truly,

ALVAREZ & MARSAL CANADA INC.,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER 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

Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3501, P.O. Box 22
Toronto, ON, M5J 2J1
Phone: +1 416 847 5200
Fax: +1 416 847 5201

December 11, 2024

DELIVERED BY EMAIL

Re: Selection of Tridel as Development and Construction Manager, and General Contractor of The One Project

As you are aware, on October 18, 2023, 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 (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc. and Mizrahi Commercial (The One) GP Inc. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including in connection with the development of an 85-storey condominium, hotel and retail tower located at the southwest corner of Yonge Street and Bloor Street West in Toronto, Ontario ("**The One Project**").

The purpose of this letter is to advise that the sale and investment solicitation process (the "**SISP**") for The One Project that was approved by the Court on June 6, 2024, has successfully resulted in the selection of Tridel Builders Inc. and certain of its affiliates (collectively, "**Tridel**") to lead the completion of the construction and development of The One Project, as well as the realization process in respect of the commercial and residential components of The One Project.

Tridel is a leading high-rise developer and builder, with extensive development and construction experience that is well aligned with the size, scope, and complexity of The One Project. Tridel has an established reputation for delivering high quality, luxury condominiums, and for possessing significant in-house expertise in building large, complex and mixed-use developments.

Court Approval and Effective Date

The transaction with Tridel (the "**Transaction**") remains subject to Court approval, which will be sought by the Receiver in the near-term following the completion and execution of the agreements (the "**Tridel Agreements**") contemplated by the Transaction. The Tridel Agreements will come into effect and Tridel will take over the role of development and construction manager of The One Project on a date (the "**Effective Date**") following Court approval of the Transaction. The Effective Date will be communicated as soon as possible.

Interim Period

In the meantime, from December 6, 2024, to the Effective Date (the "**Interim Period**"), Tridel will be engaged as a consultant to the Receiver to begin Tridel's onboarding and mobilization process, and to perform certain interim services, including, among other things, working with Skygrid Construction Inc. ("**Skygrid**"), the existing construction manager of The One Project to implement a transition plan designed to ensure a smooth transition to Tridel following Court approval of the Transaction.

During the Interim Period, Skygrid will remain in its current role and will continue to ensure the ongoing, uninterrupted construction of The One Project. During its time as construction manager, Skygrid has brought an increased level of stability and efficiency to The One Project, having developed and implemented numerous improvements to The One Project.

What This Means to You

Following the Effective Date, Tridel will advise and assist with respect to various options in respect of the commercial and residential components of The One Project, including in respect of the treatment of existing condominium sale agreements. Once a determination has been made in respect of the treatment of existing condominium sale agreements, additional information will be made available to unit purchasers.

In the meantime, construction and development of The One Project is expected to continue, and the One Project's senior secured lenders have confirmed to the Receiver that they are committed to facilitating the continued development and construction of The One Project to completion by continuing to fund construction of the Project, should the Transaction with Tridel be approved by the Court.

Additional information regarding the Transaction is included in the Sixth Report of the Receiver dated December 11, 2024 (the "**Sixth Report**"), accessible here. For more information regarding the receivership proceedings, please visit the Receiver's website at www.alvarezandmarsal.com/theone.

Should you have any further questions regarding the above, or any other inquiries relating to The One Project, please contact the Receiver at: theone@alvarezandmarsal.com, or 1-855-499-1480, or Tridel at: ask@tridel.com, or 416-661-9394.

Nothing in this letter shall be construed to constitute an affirmation or assumption of any contract by the Receiver, and the Receiver expressly disclaims any personal liability under or in connection with any such contract.

Yours very truly,

ALVAREZ & MARSAL CANADA INC.,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER 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

Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3501, P.O. Box 22
Toronto, ON, M5J 2J1
Phone: +1 416 847 5200
Fax: +1 416 847 5201

April 26, 2025

DELIVERED BY EMAIL

Re: Engagement of Tridel as Project Manager, Construction Manager and Sales Manager

As you are aware, on October 18, 2023, 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 capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Mizrahi Commercial (The One) LP, Mizrahi Development Group (The One) Inc. and Mizrahi Commercial (The One) GP Inc. (collectively, the "**Companies**") acquired for, or used in relation to, a business carried on by the Companies, including in connection with the development of an 85-storey condominium, hotel and retail tower located at the southwest corner of Yonge Street and Bloor Street West in Toronto, Ontario (the "**The One Project**").

As previously communicated, following a comprehensive and competitive sale and investment solicitation process, the Receiver and the Companies' senior secured lenders entered into a binding term sheet with Tridel Builders Inc. and certain of its affiliates (collectively, "**Tridel**"), which contemplated Tridel being engaged as the project manager, construction manager and sales manager to complete the construction, development and realization of value from The One Project (the "**Transaction**").

We are pleased to advise that on April 22, 2025, the Court granted the Transaction Approval Order, the Initial Order, and the Discharge Order (collectively, the "**Orders**"). The Orders, among other things: (i) approved the Transaction; (ii) transitioned the receivership proceedings to proceedings under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") to provide a better forum to complete the development of The One Project; (iii) approved a debtor-in-possession credit agreement in the amount of $615 million to facilitate the completion of construction of The One Project; (iv) discharged A&M as Receiver of the Companies, other than for the performance of certain incidental matters required to complete the administration of the receivership; (v) appointed A&M as Monitor of the Companies under the CCAA (in such capacity, the "**Monitor**"); and (vi) appointed FAAN Advisors Group Inc. as Chief Restructuring Officer of the Companies (in such capacity, the "**CRO**").

Effective May 1, 2025, Tridel will become project manager, construction manager and sales manager of The One Project.

Tridel is a leading high-rise developer and builder, with extensive development and construction experience that is well aligned with the size, scope, and complexity of The One Project. Tridel has an established reputation for delivering high quality, luxury condominiums, and for possessing significant in-house expertise in building large, complex and mixed-use developments.

Going forward, the CRO, with input and guidance from Tridel, will proceed with making decisions in respect of The One Project on behalf of the Companies, in consultation with the Monitor and the Companies' senior secured lenders, where appropriate.

Additional information regarding the Transaction and the transition to CCAA proceedings is included in the Joint Eighth Report of the Receiver and Pre-Filing Report of the Proposed Monitor dated April 3, 2025, accessible here: Joint Report. Additional information regarding the Orders and these proceedings more generally is available on the Monitor's and Receiver's website at www.alvarezandmarsal.com/theone.

Should you have any further questions regarding the above, or any other inquiries relating to The One Project, please contact any of the following:

Tridel	ask@tridel.com	416-661-9394
CRO	theone@faanadvisors.com	416-815-0298
Monitor	theone@alvarezandmarsal.com	1-855-499-1480

Nothing in this letter shall be construed to constitute an affirmation or assumption of any contract in respect of The One Project by any party, and the Receiver, the Monitor and the CRO expressly disclaim any personal liability under or in connection with any such contract.

Yours very truly,

ALVAREZ & MARSAL CANADA INC., solely in its capacity as court-appointed 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

APPENDIX "K"
DISCLAIMER-RELATED COMMUNICATIONS TO UNIT PURCHASERS

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.

October 24, 2025

DELIVERED BY COURIER AND BY EMAIL ([Purchaser Email])

[Purchaser Name]
[Purchaser Address]

Dear Purchaser:

Re: Notice of Disclaimer of Agreement of Purchase and Sale

***Companies' Creditors Arrangement Act* (Canada) ("CCAA") Proceedings of One Bloor West Toronto Group (The One) Inc. (f/k/a Mizrahi Development Group (The One) Inc.) (the "Vendor"), 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")**

We are writing to you in your capacity as a purchaser of a residential condominium unit in the development project located at 1 Bloor Street West in Toronto, Ontario, previously marketed as "The One" (the "**Project**"), with important details regarding the disclaimer of your Agreement of Purchase and Sale.

Background

As you are aware, on October 18, 2023, 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 capacity, the "**Receiver**") for the Project.

Following a competitive process, the Receiver and the Companies' senior lenders entered into a binding term sheet with Tridel Builders Inc. and certain of its affiliates (collectively, "**Tridel**"), which engaged Tridel as the project manager, construction manager and sales manager to complete the Project.

On April 22, 2025, the Court, among other things: (i) approved the engagement of Tridel, who became the project manager, construction manager and sales manager of the Project effective May 1, 2025; (ii) transitioned the receivership proceedings to proceedings under the CCAA to facilitate the completion of the development of the Project; (iii) approved a debtor-in-possession credit agreement in the amount of $615 million to facilitate the completion of construction of the Project; (iv) appointed A&M as Monitor of the Companies under the CCAA (in such capacity, the "**Monitor**"); and (v) appointed FAAN Advisors Group Inc. as Chief Restructuring Officer of the Companies (in such capacity, the "**CRO**").

Additional information regarding the receivership proceedings and the CCAA proceedings is available on the Monitor's website at: https://www.alvarezandmarsal.com/theone (the "**Monitor's Website**").

Disclaimer of Agreement of Purchase and Sale

Please find enclosed a Notice by Debtor Company to Disclaim or Resiliate an Agreement (the "**Disclaimer**"), which is hereby delivered to you on behalf of the Vendor pursuant to section 32 of the CCAA. The Monitor has approved the Disclaimer.

The effect of the Disclaimer is that your Agreement of Purchase and Sale for a residential condominium unit in the Project (as may have been modified from time to time, the "**Agreement**") will be terminated, and you will be entitled to seek a refund of any deposits paid in connection with the Agreement pursuant to the proposed Deposit Return Protocol, discussed below.

Should you wish to object to the Disclaimer, you must apply to the Court for an order that the Agreement not be disclaimed by no later than November 10, 2025. The Companies and the Monitor will seek to have any objection to the Disclaimer addressed as part of a scheduled motion before the Court on November 17, 2025 (the "**November 17 Hearing**"). The Companies' motion materials for the November 17 Hearing will be available on the Monitor's Website in the coming days.

Deposit Return Protocol

At the November 17 Hearing, the Companies will be seeking Court approval of a protocol (the "**Deposit Return Protocol**") to facilitate the return of deposits paid by purchasers in respect of disclaimed condominium sale agreements pursuant to the applicable bond and deposit insurance policy.

Should the Deposit Return Protocol be approved by the Court at the November 17 Hearing, you will be provided with further information about the process for obtaining the return of any deposits paid by you in connection with the Agreement. Should you have any questions regarding the proposed Deposit Return Protocol, please contact the Monitor or the CRO at the contacts listed below.

CSA Plan and Early Purchase Opportunity

As part of Tridel's mandate, Tridel has developed a plan (the "**CSA Plan**") that, if approved by the Court, is expected to facilitate the introduction of a five-star luxury hotel brand to the Project, the sale of hotel-branded condominium units and other exciting improvements.

Under the CSA Plan, you will be offered an exclusive early opportunity to purchase residential condominium units in the Project before the general public. Tridel will be contacting you in the near term with further details.

Should you have any questions regarding the above, or any other inquiries relating to Project, please contact any of the following:

Monitor	theone@alvarezandmarsal.com	1-855-499-1480
CRO	theone@faanadvisors.com	416-815-0298

Please note that nothing herein constitutes legal advice to you and neither the Monitor nor the CRO can provide you with legal advice in respect of the Disclaimer or the other matters addressed herein. You may wish to consult your own lawyer with respect to the Disclaimer and the other matters addressed herein.

Yours truly,

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.

By FAAN Advisors Group Inc., solely in its capacity as CRO of the Companies and in no other capacity

Encl.

ONE BLOOR WEST

OCTOBER 24, 2025

One Bloor West - Update

As you are aware, Tridel has been engaged as the project manager, construction manager and sales manager of One Bloor West (the "Project") in Toronto.

Earlier today, you received a disclaimer notice with respect to your Agreement of Purchase and Sale for a condominium unit at One Bloor West, which was delivered by the CCAA Monitor on behalf of the companies that own the Project (the "Companies").

As communicated to you in the related cover letter, the effect of the disclaimer is that your Agreement of Purchase and Sale for a unit at One Bloor West will be terminated, and you will be entitled to seek a refund of any deposits paid, including accrued interest, in connection with the Agreement. Additionally, the cover letter includes details regarding a court hearing that has been scheduled for November 17, 2025, where the Companies will seek the Court's approval of, among other things, a Deposit Return Protocol and a Condominium Sales Agreement (CSA) Plan (both of which are described in the Companies' letter).

The Deposit Return Protocol has been established to facilitate the refund of deposits (including accrued interest) paid by former purchasers of condominium units in the Project. This process will be administered primarily by Aviva Insurance Company of Canada, as the provider of the applicable bond and deposit insurance in respect of the Project. Additional information, including instructions on how to

obtain a refund of your deposit, will be provided following court approval.

While Tridel is not directly involved in the Deposit Return Protocol, we recognize the patience you have shown over the past several years, and we are committed to support former purchasers throughout this process as best we can.

We want to reiterate that Tridel remains focused on completing the One Bloor West project to the highest standards of excellence and restoring confidence in one of Toronto's most iconic addresses. Construction and design work will continue as planned, including the introduction of a luxury five-star hotel brand, world-class retail and other enhancements including reducing the overall unit count in the building to 411 to accommodate more two-bedroom suites with larger square footage.

Former purchasers whose condominium sale agreements have been disclaimed will be provided with an early opportunity to purchase a new suite in the reconfigured building before this project is reintroduced for sale to the market. Tridel will provide information about this opportunity closer to this availability, currently anticipated for mid-to-late 2026, subject to market conditions.

If you have any questions regarding the above, please visit www.alvarezandmarsal.com/theone or reach the Tridel Customer Connection Centre at ask@tridel.com or 416-661-9394.

One Bloor West

Disclaimer Notice – Frequently Asked Questions

Q: Will I receive the full amount of the deposit I paid?

A: Following Court approval of the proposed Deposit Return Protocol, the full deposit amount (including accrued interest as provided for under the *Condominium Act, 1998*) is to be refunded by Aviva Insurance Company of Canada, as the provider of the applicable bond and deposit insurance.

After the Court hearing scheduled for November 17, 2025 and subject to Court approval of the proposed Deposit Return Protocol, you will receive further information from Aviva (or its agent) about the process to obtain a full refund of your deposit.

Q: Will I receive interest on my deposit?

A: Yes, the Deposit Return Protocol contemplates the return of any accrued interest that you are legally entitled to receive pursuant to the *Condominium Act, 1998* (Ontario).

Q: When will I receive my deposit?

A: There is a Court hearing scheduled for November 17, 2025, at which the Court will consider approval of the Deposit Return Protocol, among other matters. The Deposit Return Protocol will set out the process and timeline for returning purchaser deposits.

Following Court approval of the proposed Deposit Return Protocol, you will receive communications from Aviva (or its agent) containing additional information regarding the process to obtain a refund of your deposit. There will be some documents and additional information required, including a signed release and termination agreement, a copy of the first pages of your original sales agreement and a copy of valid government ID. After uploading this information, Aviva will undertake a review process to facilitate your deposit return.

Q: Do I need to do anything further to receive my deposit?

A: There is no action required from you at this time. Following Court approval of the Deposit Return Protocol, you will receive communications from Aviva (or its agent) outlining the steps to be taken to facilitate the return of your deposit.

Q: Will I be able to buy a unit again?

A: In the coming months, Tridel will reach out to former purchasers who received a disclaimer notice to provide an early opportunity to purchase a new suite in the reconfigured building before sales begin for the general public. At this time, it is anticipated that the Project will be reintroduced to the market in mid-to-late 2026, subject to market conditions.

Q: What steps should I take if I wish to object to the Disclaimer Notice?

A: Pursuant to Section 32(2) of the CCAA, should you wish to object to the Notice of Disclaimer, you must file your objection with the Court for an order that the agreement not be disclaimed within 15 days of the issuance of the Notice of Disclaimer. The Companies and the Monitor will seek to have any objections addressed as part of the hearing on November 17, 2025.

You should consult your own lawyer with respect to the disclaimer, including the process for potentially objecting to the disclaimer should you choose to do so. Please note that nothing herein constitutes legal advice to you and neither the Monitor nor the Chief Restructuring Officer can provide you with legal advice in respect of the disclaimer or the other matters addressed herein.

The Companies' motion materials for the November 17 hearing will be available on the Monitor's website at the following link in the coming days: https://www.alvarezandmarsal.com/theone-motion-materials.

CONFIDENTIAL APPENDIX "1"
MILBORNE CMA

(CONFIDENTIAL)

CONFIDENTIAL APPENDIX "2"
2023 URBANATION REPORT

(CONFIDENTIAL)

CONFIDENTIAL APPENDIX "3"
2025 URBANATION REPORT

(CONFIDENTIAL)

CONFIDENTIAL APPENDIX "4"
UNIT PRICING ANALYSIS

(CONFIDENTIAL)

CONFIDENTIAL APPENDIX "5"
JLL PROPOSAL

(CONFIDENTIAL)

CONFIDENTIAL APPENDIX "6"
CSA ANALYSIS

(CONFIDENTIAL)

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.

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

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

SECOND REPORT OF THE MONITOR
NOVEMBER 3, 2025

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Brendan O'Neill LSO# 43331J
boneill@goodmans.ca

Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca

Jennifer Linde LSO#86996A
jlinde@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 17TH
	)	
JUSTICE OSBORNE	)	DAY OF NOVEMBER, 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 ONE BLOOR WEST TORONTO GROUP (THE ONE) INC. AND ONE BLOOR WEST TORONTO COMMERCIAL (THE ONE) GP INC.

ORDER
(CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration)

THIS MOTION, made by One Bloor West Toronto Group (The One) Inc. and One Bloor West Toronto Commercial (The One) GP Inc. (together with One Bloor West Toronto Commercial (The One) LP, the "**Companies**"), by Alvarez & Marsal Canada Inc., in its capacity as Court-appointed Monitor of the Companies (in such capacity, the "**Monitor**"), for an order (this "**Order**"), among other things, approving the CSA Plan, the Deposit Return Protocol and the CSA Plan Reconfiguration (each as defined herein), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion dated November 3, 2025, and the Second Report of the Monitor dated November 3, 2025 (the "**Second Report**"), and on hearing the submissions of counsel for the Monitor, counsel for the DIP Lender and the Senior Secured Lenders, counsel for Aviva Insurance Company of Canada ("**Aviva**"), counsel for Tarion Warranty Corporation

("**Tarion**"), and counsel for the other parties appearing as noted on the counsel slip, no one else appearing for any party although duly served.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby validated so that this Motion 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 used herein shall have the meaning given to them in the Initial Order of this Court dated April 22, 2025 (the "**Initial Order**"), or the Second Report, as the case may be.

APPROVAL OF CSA PLAN

3. **THIS COURT ORDERS** that the plan with respect to the treatment of existing condominium sale agreements in the Project, attached hereto as Schedule "A" (including all schedules appended thereto, the "**CSA Plan**"), is hereby approved, and the Companies, through the CRO, and the Monitor are hereby authorized and directed to implement the CSA Plan and to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation of the CSA Plan.

APPROVAL OF DEPOSIT RETURN PROTOCOL

4. **THIS COURT ORDERS** that the deposit return protocol attached hereto as Schedule "B" (including all schedules appended thereto, the "**Deposit Return Protocol**") is hereby approved,

and the Companies, through the CRO, and the Monitor are hereby authorized and directed to implement the Deposit Return Protocol, in conjunction with Aviva, Tarion and the Escrow Agent (as defined in the Deposit Return Protocol), and to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation of the Deposit Return Protocol.

PIPEDA

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Companies, through the CRO, and the Monitor and their respective advisors are hereby authorized and permitted to disclose and transfer to Aviva, Tarion, the Escrow Agent, each of their respective agents and advisors, and any other Person as reasonably necessary to implement the Deposit Return Protocol, personal information of identifiable individuals, but only to the extent required to facilitate the implementation of the Deposit Return Protocol. Aviva, Tarion, the Escrow Agent, each of their respective agents and advisors, and any other applicable Person shall maintain and protect the privacy of such information and limit the use of such information to the implementation of the Deposit Return Protocol.

NO LIABILITY OF CRO AND MONITOR

6. **THIS COURT ORDERS** that the CRO, the Monitor and their respective affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any Person in connection with, arising from or as a result of the CSA Plan

(including, without limitation, the disclaimer of any Disclaimed CSAs) or the Deposit Return Protocol (including, without limitation, the issuance of the Monitor's Certificate as contemplated therein), save and except for any losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of the CRO or the Monitor, as applicable, in implementing the CSA Plan or the Deposit Return Protocol, as determined by this Court in a final order that is not subject to appeal or other review.

7. **THIS COURT ORDERS** that, in implementing the CSA Plan and the Deposit Return Protocol on behalf of the Companies, the CRO and the Monitor shall have all of the benefits and protections granted to each of them under the CCAA, the Initial Order and any other Order of this Court in the within proceedings.

CSA PLAN RECONFIGURATION

8. **THIS COURT ORDERS** that the CSA Plan Reconfiguration (as defined and described in the Second Report), be and is hereby approved. The Companies, through the CRO, Tridel, and the Monitor are hereby authorized to take such steps or other actions and execute, issue and endorse such agreements or other documents of whatever nature as may be necessary or desirable to effect the CSA Plan Reconfiguration, including, without limitation, to use the Property and/or borrowings under the DIP Credit Agreement in accordance with the terms thereof to fund amounts on behalf of the Companies as may be required in connection with the CSA Plan Reconfiguration, including the implementation thereof.

APPROVAL OF THE MONITOR'S REPORTS AND ACTIVITIES

9. **THIS COURT ORDERS** that the First Report of the Monitor dated July 30, 2025, and the Second Report are hereby approved, and the actions, conduct and activities of the Monitor as described therein are hereby ratified and approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

SEALING

10. **THIS COURT ORDERS** that the Confidential Appendices to the Second Report shall be sealed and kept confidential pending further order of this Court.

GENERAL

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Companies and the Monitor and their respective agents in carrying out the terms of this Order.

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

_____

SCHEDULE "A"
CSA PLAN

See attached.

November 17, 2025

One Bloor West
CSA Plan

1. The Companies, through the CRO and with the assistance of Tridel and the Monitor, have developed the within plan (the "**CSA Plan**") for the treatment of existing condominium sale agreements (each, a "**CSA**") for condominium units (each, a "**Unit**") in the development project located at 1 Bloor Street West, Toronto, Ontario (the "**Project**"). Subject to Court approval of the CSA Plan, the Companies, through the CRO, and the Monitor shall implement the CSA Plan as outlined herein.

2. Capitalized terms used herein and not otherwise defined have the meanings given to them in Schedule "A" hereto or the Deposit Return Protocol, as applicable.

Disclaimed CSAs

3. The CSAs set forth in Schedule "B" hereto (collectively, the "**Disclaimed CSAs**"), in respect of which disclaimer notices were approved by the Monitor and issued by the Companies on October 24, 2025, will be disclaimed by the Companies in accordance with Section 32 of the CCAA, with such disclaimers to be effective on November 23, 2025.

4. The return of all Deposits paid by Unit purchasers (each, a "**Purchaser**") to the Escrow Agent, in trust, in connection with their respective Disclaimed CSAs shall be governed by the Deposit Return Protocol.

Early Purchase Opportunity

5. Each Purchaser party to a Disclaimed CSA, as well as any Purchaser whose CSA was disclaimed prior to the date of this CSA Plan, shall be offered an exclusive Early Purchase Opportunity (as defined and described herein).

6. An "**Early Purchase Opportunity**" means an exclusive opportunity for the relevant Purchaser to enter into a New CSA with the Vendor for the purchase of any available Unit. The Early Purchase Opportunity will provide the Purchaser with the opportunity to purchase a new Unit at the prevailing List Price at that time. The Early Purchase Opportunity will be available to the Purchaser for a forty-five (45) day period prior to the Launch Date, following which the Early Purchase Opportunity shall automatically lapse and be of no further force or effect. For the avoidance of doubt, the Early Purchase Opportunity is not, and shall not be deemed to be, a right of first refusal in respect of a Unit, and does not create a legal, equitable or other interest in any Unit on behalf of the Purchaser.

Potentially Retained CSAs

7. Subject to Section 8 hereof, the CSAs set forth in Schedule "C" hereto (collectively, the "**Potentially Retained CSAs**") will not be disclaimed by the Companies at this time.

8. With respect to each Potentially Retained CSA:

   (a) the Vendor will attempt to contact the Purchaser to determine if such Purchaser is ready, willing and able to complete the purchase of the Unit purchased under their Potentially Retained CSA, or a substantially similar Unit, as applicable, in each case on, and subject to the satisfaction of, the Amended CSA Terms (as defined and described herein); and

   (b) if the Vendor, following consultation with the Monitor, determines, in its sole discretion, that the Purchaser is not ready, willing and able to complete the purchase of the Unit purchased under their Potentially Retained CSA, or a substantially similar Unit, as applicable, in each case on the Amended CSA Terms, the Vendor, with the approval of the Monitor, shall be authorized (but not required) to disclaim the Potentially Retained CSA pursuant to Section 32 of the CCAA and such Potentially Retained CSA shall, upon its disclaimer in accordance with the CCAA, become a Disclaimed CSA for all purposes under this CSA Plan. The foregoing is without prejudice to the Vendor's rights to seek to enforce a Potentially Retained CSA, seek damages in respect of a Potentially Retained CSA and/or terminate a Potentially Retained CSA as a result of a breach by the Purchaser.

9. The "**Amended CSA Terms**" are:

   (a) the Purchaser shall enter into a New CSA for the Unit purchased under their Potentially Retained CSA (to the extent available), or a substantially similar Unit, as applicable; provided that the purchase price for the Unit shall be the same as the purchase price for the Unit under the Purchaser's Potentially Retained CSA, or such other amount as may be agreed to between the Vendor, following consultation with the Monitor and the DIP Lender, and the Purchaser;

   (b) to the extent the Unit purchased by the Purchaser under its Potentially Retained CSA will not be available under the CSA Plan Reconfiguration, the Purchaser has agreed to accept a substantially similar Unit; and

   (c) Aviva shall have agreed to make a payment to the Project in respect of the Purchaser's Potentially Retained CSA in an amount and on other terms and conditions acceptable to the Vendor, in consultation with the Monitor and the DIP Lender, in its sole and absolute discretion.

SCHEDULE "A"
CERTAIN DEFINED TERMS

"**CSA Plan Reconfiguration**" means the reconfiguration of the floor plates in the residential component of the Project described in Section 7 of the Second Report of the Monitor dated November 3, 2025, and approved by the Court pursuant to the Order (CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration) of the Court dated November 17, 2025.

"**Deposit Return Protocol**" means the deposit return protocol approved by the Court pursuant to the Order (CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration) of the Court dated November 17, 2025.

"**DIP Lender**" means KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530, in its capacity as lender under the Debtor-in-Possession Credit Agreement made as of April 3, 2025, among the Companies, IGIS Asset Management Co., Ltd., and KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530.

"**Launch Date**" means the first date that some or all of the Units in the Project are re-listed to the public for sale by the Vendor.

"**List Price**" means the purchase price designated for a Unit by the Vendor on or about the Launch Date, which price shall be inclusive of applicable sales taxes and exclusive of the cost of any upgrades.

"**New CSA**" means the form of condominium sale agreement to be utilized by the Vendor for the sale of Units following the Launch Date, in form and substance acceptable to the Vendor in its sole and absolute discretion.

"**Tridel**" means, collectively, Tridel Builders Inc. and certain of its affiliates, in their respective capacities as the project manager, construction manager and sales manager of the Project.

SCHEDULE "B"
DISCLAIMED CSAs

See attached.

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.
Disclaimed CSAs

#	Unit Number	Date of Condominium Sales Agreement
1	1901	October 21, 2017
2	1903	October 24, 2017
3	1904	April 28, 2018
4	1905	October 22, 2017
5	1906	October 23, 2017
6	1907	October 23, 2017
7	1908	October 24, 2017
8	1909	October 31, 2017
9	1910	October 23, 2017
10	2001	October 30, 2017
11	2002	October 24, 2017
12	2003	November 21, 2017
13	2004	October 21, 2017
14	2005	November 3, 2017
15	2006	January 3, 2018
16	2007	December 25, 2017
17	2008	December 15, 2017
18	2009	December 25, 2017
19	2010	October 29, 2017
20	2101	October 30, 2017
21	2102	May 7, 2018
22	2103	October 28, 2017
23	2104	April 8, 2018
24	2105	October 22, 2017
25	2106	October 26, 2017
26	2107	October 22, 2017
27	2108	October 26, 2017
28	2109	October 24, 2017
29	2110	October 21, 2017
30	2201	November 21, 2017
31	2202	May 25, 2017
32	2203	November 1, 2018
33	2204	October 23, 2017
34	2205	March 21, 2018
35	2206	November 1, 2017
36	2207	October 22, 2017
37	2208	October 26, 2017
38	2209	October 26, 2017
39	2210	October 22, 2017
40	2301	October 25, 2017

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.
Disclaimed CSAs

#	Unit Number	Date of Condominium Sales Agreement
41	2302	October 22, 2017
42	2303	October 23, 2017
43	2304	March 29, 2018
44	2305	October 21, 2017
45	2306	October 28, 2017
46	2307	October 21, 2017
47	2308	December 1, 2017
48	2309	January 27, 2018
49	2310	October 25, 2017
50	2401	October 30, 2017
51	2402	November 6, 2017
52	2403	October 26, 2017
53	2404	March 4, 2018
54	2405	October 26, 2017
55	2406	October 26, 2017
56	2407	October 21, 2017
57	2408	May 15, 2019
58	2409	August 22, 2019
59	2410	October 23, 2017
60	2501	October 21, 2017
61	2502	June 2, 2018
62	2503	December 19, 2017
63	2504	October 26, 2017
64	2505	October 21, 2017
65	2506	November 3, 2017
66	2507	October 21, 2017
67	2508	October 21, 2017
68	2509	October 22, 2017
69	2510	October 21, 2017
70	2601	November 9, 2017
71	2602	June 9, 2018
72	2603	October 22, 2017
73	2604	October 22, 2017
74	2605	October 22, 2017
75	2606	January 7, 2018
76	2607	November 9, 2017
77	2608	October 21, 2017
78	2609	October 24, 2017
79	2610	October 24, 2017
80	2701	October 27, 2017

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.
Disclaimed CSAs

#	Unit Number	Date of Condominium Sales Agreement
81	2702	October 21, 2017
82	2703	July 5, 2018
83	2704	November 8, 2017
84	2705	October 26, 2017
85	2706	October 21, 2017
86	2707	October 21, 2017
87	2708	December 10, 2017
88	2709	October 23, 2017
89	2710	October 22, 2017
90	2801	October 22, 2017
91	2802	October 23, 2017
92	2803	November 7, 2017
93	2804	October 23, 2017
94	2805	October 21, 2017
95	2806	October 22, 2017
96	2807	October 21, 2017
97	2808	October 26, 2017
98	2809	October 23, 2017
99	2810	October 22, 2017
100	2901	October 21, 2017
101	2902	October 21, 2017
102	2903	November 6, 2017
103	2904	March 2, 2018
104	2905	October 21, 2017
105	2906	January 11, 2018
106	2907	October 21, 2017
107	2908	October 21, 2017
108	2909	October 23, 2025
109	2910	October 21, 2017
110	3001	October 23, 2017
111	3002	October 22, 2017
112	3003	October 30, 2017
113	3004	October 25, 2017
114	3005	October 23, 2017
115	3006	October 23, 2017
116	3007	October 23, 2017
117	3008	October 22, 2017
118	3009	October 27, 2017
119	3010	November 25, 2017
120	3101	October 22, 2017

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.
Disclaimed CSAs

#	Unit Number	Date of Condominium Sales Agreement
121	3102	May 16, 2018
122	3103	October 22, 2017
123	3104	October 24, 2017
124	3105	October 24, 2017
125	3106	November 20, 2017
126	3107	October 23, 2017
127	3108	October 26, 2017
128	3109	October 25, 2017
129	3110	November 4, 2017
130	3201	October 21, 2017
131	3202	May 5, 2018
132	3203	October 22, 2017
133	3204	April 8, 2018
134	3205	October 21, 2017
135	3206	October 23, 2017
136	3207	October 23, 2017
137	3208	October 23, 2017
138	3209	April 6, 2018
139	3210	October 22, 2017
140	3301	October 21, 2017
141	3302	October 22, 2017
142	3303	October 21, 2017
143	3304	October 23, 2017
144	3305	November 8, 2017
145	3306	October 23, 2017
146	3307	October 26, 2017
147	3308	November 6, 2017
148	3309	February 3, 2018
149	3310	October 21, 2017
150	3401	November 17, 2017
151	3402	October 21, 2017
152	3403	October 31, 2017
153	3404	October 22, 2017
154	3405	October 30, 2017
155	3406	January 19, 2018
156	3407	October 25, 2017
157	3408	October 22, 2017
158	3409	December 4, 2017
159	3410	October 21, 2017
160	3501	November 1, 2017

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.
Disclaimed CSAs

#	Unit Number	Date of Condominium Sales Agreement
161	3502	May 15, 2018
162	3503	January 16, 2018
163	3504	January 14, 2018
164	3505	November 8, 2017
165	3507	November 5, 2017
166	3508	November 24, 2017
167	3509	October 22, 2017
168	3510	October 22, 2017
169	3601	October 22, 2017
170	3602	October 21, 2017
171	3603	November 9, 2017
172	3604	January 15, 2018
173	3605	October 24, 2017
174	3606	October 23, 2017
175	3607	December 4, 2017
176	3608	October 24, 2017
177	3609	October 24, 2017
178	3610	October 21, 2017
179	3901	October 21, 2017
180	3902	May 15, 2018
181	3903	October 21, 2017
182	3904	October 22, 2017
183	3905	January 22, 2018
184	3906	January 24, 2018
185	3907	October 21, 2017
186	3908	November 25, 2017
187	3909	April 5, 2018
188	3910	January 29, 2018
189	4001	October 21, 2017
190	4002	October 21, 2017
191	4003	November 8, 2017
192	4004	February 28, 2018
193	4005	October 21, 2017
194	4006	October 21, 2017
195	4007	October 24, 2017
196	4008	October 22, 2017
197	4009	October 22, 2017
198	4010	January 11, 2018
199	4101	October 21, 2017
200	4102	May 7, 2018

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.
Disclaimed CSAs

#	Unit Number	Date of Condominium Sales Agreement
201	4103	January 13, 2018
202	4104	August 29, 2018
203	4105	October 21, 2017
204	4106	October 21, 2017
205	4107	October 24, 2017
206	4108	October 22, 2017
207	4109	January 26, 2018
208	4110	October 21, 2017
209	4201	November 3, 2017
210	4202	October 25, 2017
211	4203	October 21, 2017
212	4204	October 24, 2017
213	4205	October 21, 2017
214	4206	November 18, 2017
215	4207	October 24, 2017
216	4208	January 26, 2018
217	4209	October 22, 2017
218	4210	October 21, 2017
219	4301	October 21, 2017
220	4302	April 21, 2018
221	4303	October 21, 2017
222	4304	October 21, 2017
223	4306	November 28, 2017
224	4307	October 21, 2017
225	4308	October 21, 2017
226	4309	December 4, 2017
227	4310	January 26, 2018
228	4401	October 21, 2017
229	4402	January 14, 2018
230	4403	October 21, 2017
231	4404	October 21, 2017
232	4405	October 21, 2017
233	4406	November 18, 2017
234	4407	October 24, 2017
235	4408	January 22, 2018
236	4409	January 14, 2018
237	4410	October 21, 2017
238	4501	October 23, 2017
239	4502	May 4, 2018
240	4503	October 22, 2017

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.
Disclaimed CSAs

#	Unit Number	Date of Condominium Sales Agreement
241	4504	October 22, 2017
242	4505	January 24, 2018
243	4506	November 11, 2017
244	4507	October 26, 2017
245	4508	October 21, 2017
246	4509	October 22, 2017
247	4510	October 23, 2017
248	4601	October 24, 2017
249	4602	October 28, 2017
250	4603	October 23, 2017
251	4604	October 21, 2017
252	4605	October 21, 2017
253	4606	October 24, 2017
254	4607	October 25, 2017
255	4608	October 22, 2017
256	4609	November 7, 2017
257	4610	November 3, 2017
258	4701	October 21, 2017
259	4702	February 25, 2018
260	4703	October 21, 2017
261	4704	October 22, 2017
262	4706	November 12, 2017
263	4707	November 7, 2017
264	4708	October 21, 2017
265	4709	October 22, 2017
266	4710	October 24, 2017
267	4801	October 24, 2017
268	4802	February 28, 2018
269	4803	October 22, 2017
270	4804	October 21, 2017
271	4805	October 22, 2017
272	4808	October 21, 2017
273	4809	November 5, 2017
274	4810	October 21, 2017
275	4901	December 30, 2022
276	4902	August 31, 2020
277	4903	March 27, 2018
278	4905	November 11, 2017
279	4906	December 30, 2022
280	5001	June 16, 2021

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.
Disclaimed CSAs

#	Unit Number	Date of Condominium Sales Agreement
281	5002	August 7, 2018
282	5003	August 31, 2018
283	5004	December 27, 2019
284	5005	January 15, 2018
285	5006	October 21, 2017
286	5101	December 30, 2022
287	5102	August 31, 2020
288	5103	October 24, 2017
289	5105	June 24, 2021
290	5201	February 9, 2023
291	5202	August 15, 2022
292	5203	April 16, 2019
293	5204	October 23, 2017
294	5205	December 21, 2018
295	5206	October 21, 2017
296	5301	January 5, 2023
297	5302	December 30, 2022
298	5303	October 21, 2017
299	5305	September 12, 2018
300	5306	January 14, 2018
301	5402	January 11, 2023
302	5403	March 7, 2019
303	5405 & 5505	March 13, 2019
304	5603	January 11, 2019
305	5604	October 23, 2017
306	5605	October 24, 2017
307	5606	September 15, 2019
308	6203	December 31, 2019
309	6304	October 21, 2017
310	6903	May 30, 2018
311	6904	October 25, 2017
312	7504	October 21, 2017
313	7601	October 31, 2017
314	7604	October 31, 2017

SCHEDULE "C"
POTENTIALLY RETAINED CSAs

See attached.

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC.
Potentially Retained CSAs

#	Unit Number	Date of Condominium Sales Agreement
1	3506	October 23, 2017
2	4305	October 23, 2017
3	4705	November 18, 2017
4	4806	October 23, 2017
5	4807	October 24, 2017
6	4904	November 28, 2021
7	5104	October 22, 2017
8	5304	June 21, 2018
9	5404	June 3, 2018
10	5503	March 8, 2022
11	5504	May 29, 2018
12	6202	March 5, 2022
13	6303	November 25, 2021
14	6402	March 19, 2022
15	8101	July 9, 2018

SCHEDULE "B"
DEPOSIT RETURN PROTOCOL

See attached.

One Bloor West
Deposit Return Protocol

1. One Bloor West Toronto Group (The One) Inc. (formerly known as Mizrahi Development Group (The One) Inc.) (the "**Vendor**"), One Bloor West Toronto Commercial (The One) GP Inc. (formerly known as Mizrahi Commercial (The One) GP Inc.), and One Bloor West Toronto Commercial (The One) LP (formerly known as Mizrahi Commercial (The One) LP) (collectively, the "**Companies**") are engaged in a development project located at 1 Bloor Street West, Toronto, Ontario (the "**Project**").

2. The Companies are subject to proceedings pending under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Proceedings**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") (Court File No. CV-25-00740512-00CL). FAAN Advisors Group Inc. has been appointed by the Court as Chief Restructuring Officer of the Companies in the CCAA Proceedings (in such capacity, the "**CRO**") and Alvarez & Marsal Canada Inc. has been appointed by the Court as Monitor of the Companies in the CCAA Proceedings (in such capacity, the "**Monitor**").

3. The Companies and the Project were previously subject to receivership proceedings under the *Bankruptcy and Insolvency Act* (Canada) and the *Courts of Justice Act* (Ontario) before the Court (Court File No. CV-23-00707839-00CL) in which Alvarez & Marsal Canada Inc. was appointed by the Court as receiver and manager of the Companies' property, including the Project (in such capacity, the "**Receiver**") pursuant to an Order (Appointing Receiver) of the Court dated October 18, 2023 (the "**Receivership Order**").

4. Pursuant to the Order (CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration) of the Court dated November 17, 2025 (the "**CSA Plan Approval Order**") issued in the CCAA Proceedings, certain existing condominium sale agreements (agreements of purchase and sale) (each, a "**CSA**") for condominium units (each, a "**Unit**") in the Project have been or will be disclaimed by the Companies. Further, pursuant to the Receivership Order, certain CSAs for Units were previously disclaimed by the Receiver. Any CSAs disclaimed pursuant to the CSA Plan Approval Order or the Receivership Order are referred to herein as "**Disclaimed CSAs**".

5. In connection with the Project, Aviva Insurance Company of Canada ("**Aviva**") provided Tarion Warranty Corporation ("**Tarion**") with Tarion Bond No. 237313-17 (the "**Tarion Bond**"), and provided the Companies with Master Deposit Insurance Policy No. 237315-17 (the "**Deposit Insurance**").

6. Aviva, Tarion, the Companies and the Monitor have agreed, subject to Court approval of the within Deposit Return Protocol (this "**Protocol**"), to facilitate the refund of all deposits paid by Unit purchasers under Disclaimed CSAs (collectively, the "**Purchasers**") to Harris, Sheaffer LLP (the "**Escrow Agent**"), in trust, in connection with their respective

Disclaimed CSAs (which deposit amounts include any deposits, extras and upgrades (as applicable), and interest amounts that would be a valid deposit claim under the *Ontario New Home Warranties Plan Act*, together with the regulations promulgated thereunder (such valid deposit claims being the "**Tarion-backstopped Deposit Claims**"), and under the Deposit Insurance) (collectively, the "**Deposits**"). The Deposits to be returned to the relevant Purchasers in accordance with this Protocol shall include: (a) the principal amount of all deposits paid by the Purchasers pursuant to their respective Disclaimed CSAs; and (b) any accrued interest that the Purchasers are legally entitled to receive pursuant to the *Condominium Act, 1998* (Ontario).

7. The Monitor has prepared a list of all Disclaimed CSAs (as such list may be amended, supplemented or otherwise modified from time to time, the "**CSA List**"), including the amount of the applicable Purchasers' Deposits based on the records of the Companies and the Escrow Agent, and will send a copy of the CSA List to Aviva and Tarion. The Monitor shall update the CSA List to add any additional CSAs that are disclaimed pursuant to the CSA Plan Approval Order from time to time and shall send a copy of such updated CSA List(s) to Aviva and Tarion.

8. As soon as reasonably practicable following issuance of the CSA Plan Approval Order (including the approval of this Protocol), Aviva's authorized agent, MNP Ltd., shall send letters to those Purchasers party to a Disclaimed CSA on the CSA List: (a) notifying them that the Court has approved this Protocol to facilitate the return of their Deposits; (b) attaching a Release and Termination Agreement substantially in the form attached hereto as Schedule "A" (the "**Release and Termination Agreement**"); and (c) providing a link to a website (the "**Aviva Agent Website**") containing information and instructions on the filing of claims pursuant to this Protocol. Final copies of each letter delivered pursuant to this paragraph will be provided to Aviva and Tarion, with a copy to the Escrow Agent and the Monitor, as soon as reasonably practicable following delivery by Aviva's authorized agent.

9. As soon as reasonably practicable following the Court's approval of this Protocol, the Monitor will provide a Monitor's certificate, substantially in the form attached hereto as Schedule "B", to Tarion and Aviva.

10. As soon as reasonably practicable following the Court's approval of this Protocol, the Monitor will request that a former principal of the Companies provide a Statutory Declaration, in the form attached as Schedule "C", to Tarion. Failure to provide such Statutory Declaration will not prevent the return of the Deposits to the Purchasers and is not a condition of such return.

11. All Deposits remaining in respect of the Disclaimed CSAs on the CSA List in the deposit trust account for the Project maintained by the Escrow Agent, together with all accrued

interest thereon, shall be transferred by the Escrow Agent to Aviva or its authorized agent to be held by Aviva or its authorized agent pursuant to the terms of this Protocol.

12. All Purchasers under Disclaimed CSAs on the CSA List wishing to receive back their Deposit must upload the following to the Aviva Agent Website:

    (a) a Release and Termination Agreement executed by the applicable Purchaser;

    (b) a clear copy of the applicable Purchaser's valid, government-issued photo identification;

    (c) a clear copy of the first page of the applicable Disclaimed CSA and, as necessary, the second page of the applicable Disclaimed CSA, that discloses: (i) the name of the Purchaser(s); (ii) the Unit number; (iii) the deposit amount(s) required to be paid under the Disclaimed CSA; and (iv) the signatures to the Disclaimed CSA;

    (d) a clear copy of any amendment(s) or assignment(s) of the applicable Disclaimed CSA in the applicable Purchaser's possession; and

    (e) confirmation of the principal amount of the Deposits paid by the applicable Purchaser that are to be returned to such Purchaser, and a mailing address for the return of the Deposits.

13. Aviva or its authorized agent will assemble an electronic brief (each, a "**Brief**") in respect of each of the Disclaimed CSAs, which Brief will include the information set out in paragraph 12 (to the extent available) for each applicable Purchaser.

14. Aviva or its authorized agent will send the completed Briefs to Tarion on a monthly basis.

15. Upon receipt of the Briefs, Tarion shall, within ten (10) business days: (i) confirm to Aviva or its authorized agent in writing that the documentation in the applicable Briefs is complete and that Aviva's liability under the Tarion Bond in relation to the Tarion-backstopped Deposit Claims of the relevant Purchasers will be extinguished once Aviva or its authorized agent releases the relevant amounts in respect of the Tarion-backstopped Deposit Claims to such Purchasers (the "**Tarion Confirmation**"); or, alternatively, (ii) identify any deficiencies in such Briefs to Aviva in writing, whereupon Aviva and Tarion shall confer in good faith to address and resolve such deficiencies on a timely basis such that Tarion can provide the Tarion Confirmation.

16. Upon receipt of the Tarion Confirmation, Aviva or its authorized agent will then release the corresponding Deposits to the applicable Purchasers within ten (10) business days of receipt of the Tarion Confirmation by issuing refund cheques in the names of the applicable

Purchasers (or by another reasonable payment method acceptable to Aviva as any Purchaser may request to Aviva or its authorized agent in writing).

17. Within ten (10) business days of the release of the applicable Deposits, Aviva or its authorized agent will provide to Tarion confirmation of the release of the Deposits in respect of the applicable Disclaimed CSAs by delivering an executed Statutory Declaration substantially in the form attached as Schedule "D" (the "**Aviva Statutory Declaration**").

18. Upon receipt of the applicable Aviva Statutory Declaration and being satisfied that its liability to the relevant Purchasers for their Tarion-backstopped Deposit Claims has been extinguished, Tarion will provide written confirmation to Aviva or its authorized agent on a monthly basis that the Tarion Bond is reduced by the amounts drawn on the Tarion Bond, as outlined in Appendix "A" to the applicable Aviva Statutory Declaration, on a Unit-by-Unit basis in respect of the Tarion-backstopped Deposit Claims (up to the amount of $20,000 for each such claim plus interest thereon, as may be applicable).

19. Aviva or its authorized agent will provide Tarion, the Companies and the Monitor with a monthly deposit report detailing the Deposits released and not released, as well as a list of outstanding Deposit claims submitted by Purchasers that remain unpaid as of the date of the monthly report.

20. For the avoidance of doubt, the obligation to refund the Deposits rests solely with Aviva, pursuant to and in accordance with the terms of the Tarion Bond, the Deposit Insurance and this Deposit Return Protocol. None of the Companies, the CRO or the Monitor shall have any obligation or liability whatsoever to make any payment in respect of the refund of the Deposits, or to cause Aviva to make any such payment.

21. This Protocol was prepared for the sole purpose of facilitating the return of Deposits relating to the Project. Nothing herein shall bind Aviva or Tarion to agreeing to this form of deposit return protocol in the future, and nothing in this Protocol shall be deemed to have precedential value for deposit return protocols unrelated to the Project.

SCHEDULE "A"
RELEASE AND TERMINATION AGREEMENT

RELEASE AND TERMINATION AGREEMENT

BETWEEN:

One Bloor West Toronto Group (The One) Inc., formerly known as Mizrahi Development Group (The One) Inc. (hereinafter called the "**Vendor**")

- and -

_____

(hereinafter collectively called the "**Purchaser**")

WHEREAS the Purchaser and the Vendor entered into an agreement of purchase and sale dated _____ (the "**CSA**") pertaining to the Purchaser's acquisition from the Vendor of DWELLING UNIT ____ on LEVEL _____, and ____ (___) LOCKER UNIT(S), together with an undivided interest in the common elements appurtenant to such units (all of which are hereinafter collectively defined as the "**Purchased Units**"), in accordance with the condominium plan documentation proposed to be registered against those lands and premises situate in the City of Toronto, in the Province of Ontario, municipally located at 1 Bloor Street West, Toronto and more particularly described in the CSA (the "**Project**");

AND WHEREAS pursuant to the Initial Order made by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on April 22, 2025, the Vendor and certain of its affiliates (collectively, the "**Companies**") obtained protection under the *Companies' Creditors Arrangement Act* (Canada), Alvarez & Marsal Canada Inc. was appointed as Monitor of the Companies (in such capacity, the "**Monitor**"), and FAAN Advisors Group Inc. was appointed as Chief Restructuring Officer of the Companies (in such capacity, the "**CRO**");

AND WHEREAS pursuant to an Order (Appointing Receiver) made by the Court on October 18, 2023 (the "**Receivership Order**"), the Companies and the Project were previously subject to receivership proceedings under the *Bankruptcy and Insolvency Act* (Canada) and the *Courts of Justice Act* (Ontario) and Alvarez & Marsal Canada Inc. was appointed by the Court as receiver and manager of the Companies' property, including the Project (in such capacity, the "**Receiver**");

AND WHEREAS the CSA has been disclaimed by the Companies pursuant to the Order (CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration) made by the Court dated November 17, 2025 (the "**CSA Plan Approval Order**"), or by the Receiver pursuant to the Receivership Order, as applicable;

AND WHEREAS a protocol for the release of deposits back to purchasers of condominium units in the Project who have had their agreement of purchase and sale disclaimed (the "**Protocol**") has been established and approved pursuant to the CSA Plan Approval Order upon the terms and provisions as set forth therein;

AND WHEREAS the Protocol contemplates, among other things, the execution of this Release and Termination Agreement (this "**Agreement**") by the Purchaser in connection with the return of the Deposit Monies (as defined below) to the Purchaser;

NOW THEREFORE in consideration of payment of the Deposit Monies to the Purchaser, and the mutual covenants contained herein, and for other good and valuable consideration (the receipt and sufficiency of which is hereby expressly acknowledged), the Vendor and the Purchaser hereby confirm the accuracy and veracity of the foregoing recitals, and do hereby covenant and agree to the following:

1. The Vendor and the Purchaser acknowledge that the CSA, together with any and all addendums thereto or amendments thereof, has been disclaimed and is of no further force or effect.

2. In accordance with the Protocol, upon the execution of this Agreement by both parties hereto and delivery of same to Aviva Insurance Company of Canada or its authorized agent ("**Aviva**") and following review and approval of same by Tarion Warranty Corporation ("**Tarion**") in accordance with the Protocol, Aviva shall, on behalf of the Vendor, refund and remit to the Purchaser at the mailing address provided by the Purchaser the sum of $_____, representing the aggregate of all deposit monies paid by the Purchaser to the Vendor on account of the purchase price for the Purchased Units, together with any interest accruing thereon that the Purchaser is entitled to receive pursuant to the terms and conditions of the CSA and/or the *Condominium Act, 1998* (Ontario) (hereinafter collectively referred to as the "**Deposit Monies**"). For clarity, the accrued interest is $_____.

3. The parties hereto hereby mutually release each other, and each of their respective heirs, estate trustees, successors and assigns, from and against any and all costs, damages, actions, proceedings, demands and/or claims whatsoever which either of the parties hereto now has, or may hereafter have, against the other party hereto, by reason of, or in connection with, the CSA (and any and all addendums thereto or amendments thereof) and/or the disclaimer thereof or otherwise in relation to the Purchased Units.

4. The Purchaser hereby releases and forever discharges the Vendor, Tarion, Aviva, Westmount Guarantee Services Inc., Harris, Sheaffer LLP, the Monitor, the Receiver, the CRO and each of their Related Parties (all of the foregoing are collectively referred to herein as the "**Releasees**") of and from all Claims (as defined herein). "**Related Parties**" means all affiliates, successors, and assigns, and all officers, directors, partners, members, shareholders, employees, advisors (including legal advisors), representatives and agents. "**Claims**" means all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, actual or potential, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing which the Purchaser had, has or may in the future have in any way relating to or arising from the Project, the CSA, the Purchased Unit(s), the Deposit Monies, or any other monies (including, as applicable, extras and upgrade monies) paid by the Purchaser to the Vendor toward, or in connection with, the Purchased Units. Without restricting the generality of the foregoing, in the case of Tarion, it is expressly understood and agreed that the Purchaser shall not make or pursue any Claims or proceeding(s) under the *Ontario New Home Warranties Plan Act*, R.S.O., 1990, c. O.31, as amended, or the regulations promulgated thereunder. The Purchaser further agrees that the Purchaser shall not commence or sustain any Claim against any person who may seek contribution and indemnity or other relief over against any of the Releasees. The Purchaser agrees and acknowledges that each of the Releasees, including those which are not party to this Release and Termination Agreement, are relying on the release contained in this paragraph 4 and shall be entitled to enforce this release.

5. The Purchaser acknowledges and confirms that all of the estate, right, title and interest of the Purchaser in and to the Purchased Units and the Project (both at law and in equity, and whether in possession, expectancy or otherwise) have been released and quit-claimed to and in favour of the Vendor and its successors and assigns forever.

6. In the event that all or any portion of the Deposit Monies received by the Vendor were drawn on the bank account of a third party who is not the Purchaser (nor one of the individuals who collectively comprise the Purchaser, as applicable), then the Purchaser shall indemnify and save the Releasees harmless, from and against all costs, claims, damages and/or liabilities which any of them may hereafter suffer or incur as a result of the Deposit Monies being refunded directly to the Purchaser in accordance with this Agreement, rather than being payable and remitted directly to said third party.

7. The Purchaser agrees to furnish with the execution of this Agreement a clear scan or photocopy of government-issued photo identification.

8. The Purchaser acknowledges and confirms having had the opportunity to receive independent legal advice from qualified counsel with respect to all matters set forth herein and has received such advice or has expressly declined or waived the opportunity to do so.

9. This Agreement shall enure to the benefit of, and be correspondingly binding upon, the parties hereto and each of their respective heirs, estate trustees, successors and permitted assigns.

10. This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties hereby irrevocably attorn to the exclusive jurisdiction of the Court to determine all issues, whether at law or equity, arising from or in connection with this Agreement.

11. The CRO is executing this Agreement on behalf of the Vendor 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, and it expressly disclaims any such liability.

12. This Agreement shall be read and construed with all changes of gender and/or number required by the context, and if more than one individual comprises the Purchaser, then all of the foregoing covenants and agreements of the Purchaser shall be deemed and construed to be joint and several covenants and agreements thereof.

13. This Agreement may be executed electronically and in counterparts and delivered via email and each counterpart when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF each of the parties hereto has executed this Agreement effective this _____day of _____.

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness Name:	**Purchaser Name:**
Address:	**Address:**
Email:	**Email:**
Phone No.:	**Phone No.:**

ONE BLOOR WEST TORONTO GROUP (THE ONE) INC., formerly known as Mizrahi Development Group (The One) Inc.

Per: _____

Signed by **FAAN ADVISORS GROUP INC.**, solely in its capacity as Chief Restructuring Officer of One Bloor West Toronto Group (The One) Inc. *et al.* and in no other capacity

SCHEDULE "B"
FORM OF MONITOR'S CERTIFICATE

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

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.

MONITOR'S CERTIFICATE

RECITALS:

A. Alvarez & Marsal Canada Inc. was appointed Monitor (in such capacity, the "**Monitor**") of One Bloor West Toronto Group (The One) Inc. (formerly known as Mizrahi Development Group (The One) Inc.), One Bloor West Toronto Commercial (The One) GP Inc. (formerly known as Mizrahi Commercial (The One) GP Inc.) and One Bloor West Toronto Commercial (The One) LP (formerly known as Mizrahi Commercial (The One) LP) (collectively, the "**Companies**") pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated April 22, 2025, granted in the Companies' proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Proceedings**").

B. Pursuant to the Order (CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration) of the Court dated November 17, 2025 (the "**CSA Plan Approval Order**") issued in the CCAA Proceedings, the Court approved the CSA Plan and the Deposit Return Protocol (each as defined in the CSA Plan Approval Order).

C. This Monitor's Certificate is delivered pursuant to paragraph 9 of the Deposit Return Protocol.

THE MONITOR HEREBY CERTIFIES:

1. To the best of the Monitor's knowledge as at the date hereof: (i) based on the books and records of the Companies, the Vendor was party to 343 condominium sale agreements (each, a "**CSA**") in respect of condominium units in the Project as of October 18, 2023, as listed on Schedule "A" hereto[1]; (ii) since October 18, 2023, no CSAs have been entered into by the Vendor in respect of the Project; and (iii) based on information provided to the

[1] List of CSAs to be appended as Schedule "A" to Monitor's Certificate.

Monitor by Harris, Sheaffer LLP, in its capacity as escrow agent (the "**Escrow Agent**") for the Deposits (as such term is defined in the Deposit Return Protocol), the Vendor provided all Deposits it received in connection with the sale of condominium units in the Project to the Escrow Agent.

Dated this _____ day of _____, 2025.

ALVAREZ & MARSAL CANADA INC. in its capacity as Monitor of One Bloor West Toronto Group (The One) Inc. *et al*. and not in its personal or corporate capacity

Per: _____

Name:

Title:

SCHEDULE "C"
STATUTORY DECLARATION

STATUTORY DECLARATION

CANADA	)	IN THE MATTER OF the development of a condominium project by One Bloor West Toronto Group (The One) Inc. (formerly known as Mizrahi Development Group (The One) Inc.) (the "**Vendor**"), One Bloor West Toronto Commercial (The One) GP Inc. (formerly known as Mizrahi Commercial (The One) GP Inc.), and One Bloor West Toronto Commercial (The One) LP (formerly known as Mizrahi Commercial (The One) LP) (collectively, the "**Companies**") situated in the City of Toronto on those lands and premises located at the address known municipally as 1 Bloor Street West, Toronto, Ontario (the "**Project**")
	)	
PROVINCE OF ONTARIO	)	
	)	
TO WIT:	)	
	)	
	)	
	)	
	)	
	)	
	)	
	)	

I, _____, of the City of Toronto, DO SOLEMNLY DECLARE THAT:

1. I was the former _____ of the Companies, and as such have knowledge of the matters hereinafter declared.

2. To the best of my knowledge, the Companies provided all deposits they received in respect of the sale of condominium units in the Project to Harris, Sheaffer LLP, the escrow agent for the Companies in connection with the Project.

3. To the best of my knowledge, the Vendor entered into only _____ agreements of purchase and sale for condominium units in the Project and did not enter into any other agreements of purchase and sale for the condominium units in the Project.

AND I MAKE THIS solemn declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

DECLARED BEFORE ME in City of Toronto, in the Province of Ontario, this _____ day of _____.	)	
	)	
	)	
	)	
	)	
_____	)	_____
A COMMISSIONER, ETC.	)	●
	)	
	)	

SCHEDULE "D"
AVIVA STATUTORY DECLARATION

STATUTORY DECLARATION

CANADA	)	IN THE MATTER OF the development of a condominium project by One Bloor West Toronto Group (The One) Inc. (formerly known as Mizrahi Development Group (The One) Inc.), One Bloor West Toronto Commercial (The One) GP Inc. (formerly known as Mizrahi Commercial (The One) GP Inc.), and One Bloor West Toronto Commercial (The One) LP (formerly known as Mizrahi Commercial (The One) LP) (collectively, the "**Companies**") situated in the City of Toronto on those lands and premises located at the address known municipally as 1 Bloor Street West, Toronto, Ontario (the "**Project**")
	)	
PROVINCE OF ONTARIO	)	
	)	
TO WIT:	)	
	)	
	)	
	)	
	)	
	)	
	)	
	)	

I, _____, of the City of _____, DO SOLEMNLY DECLARE THAT:

1. I am a _____ of Aviva Insurance Company of Canada ("**Aviva**"), the surety in respect of Tarion Bond No. 237313-17 and Master Deposit Insurance Policy No. 237315-17 provided in connection with the Project.

2. To the best of my knowledge, all deposits paid under condominium sale agreements in respect of the Project condominium units numbered ●, ●, and ●, including, without limitation, the Tarion-backstopped Deposit Claims (as such term is defined in the Deposit Return Protocol approved by the Ontario Superior Court of Justice (Commercial List) pursuant to the Order (CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration) dated November 17, 2025) and interest thereon, as set out on Appendix "A" hereto, have been refunded by Aviva to the respective purchasers of such units.

AND I MAKE THIS solemn declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

DECLARED BEFORE ME in City of Toronto, in the Province of Ontario, this _____ day of _____.	)	**AVIVA INSURANCE COMPANY OF CANADA**
	)	
	)	
	)	
	)	
	)	
_____	)	_____
A COMMISSIONER, ETC.	)	Name:
	)	Title:
	)	

APPENDIX "A"

Unit No.	Tarion-backstopped Deposit Claim Amount Returned	Interest on Tarion-backstopped Deposit Claim Paid	Total Tarion-backstopped Deposit Claim Amount Returned plus Interest on Tarion-backstopped Deposit Claim Paid
●	$●	$●	$●
●	$●	$●	$●
Grand Total:			$●

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.

Applicants

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

ORDER
(CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Brendan O'Neill LSO# 43331J
boneill@goodmans.ca

Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca

Jennifer Linde LSO# 86996A
jlinde@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Monitor

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.

Applicants

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

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

MOTION RECORD
CSA Plan, Deposit Return Protocol and CSA Plan Reconfiguration
(Returnable November 17, 2025)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Brendan O'Neill LSO# 43331J
boneill@goodmans.ca
Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca
Jennifer Linde LSO# 86996A
jlinde@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

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