

**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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## 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](http://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.<sup>1</sup> 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”**.<sup>2</sup> Pursuant to the definitive documentation contemplated by the Term Sheet, Tridel will be engaged to take

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<sup>1</sup> Capitalized terms used in this Sixth Report and not otherwise defined have the meanings given to them in the SISP.

<sup>2</sup> 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<sup>3</sup>) 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:

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<sup>3</sup> 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.

<b>Milestone</b>	<b>Date(s)</b>
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 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 SISF 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<sup>4</sup>, 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.

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<sup>4</sup> 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 SISF, 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 Neysky  
Title: Senior Vice-President

## APPENDIX "A"



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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE  
  
JUSTICE OSBORNE

)  
)  
)

THURSDAY, THE 6<sup>TH</sup>  
  
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

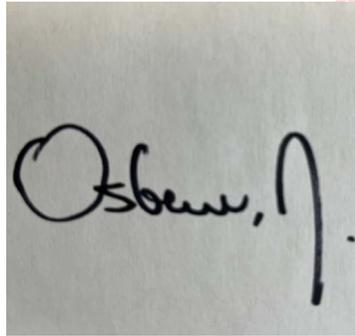
SISP (a “**Transaction**”). Each Participating Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, 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.

A rectangular area containing a handwritten signature in black ink. The signature appears to be "Osborne, J." with a stylized flourish at the end.

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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:

<b>Milestone</b>	<b>Date(s)</b>
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.

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**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 judgment, 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](mailto:sferguson@alvarezandmarsal.com) and [jnevsky@alvarezandmarsal.com](mailto:jnevsky@alvarezandmarsal.com), and to the Broker at [Matt.Picken@jll.com](mailto: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 SISF shall continue into the second phase in accordance with the Phase 2 SISF 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](mailto:sferguson@alvarezandmarsal.com) and [jnevsky@alvarezandmarsal.com](mailto:jnevsky@alvarezandmarsal.com), and to the Broker at [Matt.Picken@jll.com](mailto: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 SISF 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<sup>1</sup>**

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

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<sup>1</sup> 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.

**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

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

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**SISP APPROVAL ORDER**

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**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 “B”**

December 6, 2024

**INTERIM TERM SHEET RE: “THE ONE” DEVELOPMENT PROPOSAL**

The bid submitted by Tridel Builders Inc. (“**TBI**”) pursuant to the “The One” Sale and Investment Solicitation Process (the “**SISP**”) has been selected by the Receiver, in consultation with the Broker (as defined in the SISP) and the Senior Secured Lenders, as the Selected Qualified Bid (as defined in the SISP) for the purpose of maximizing Project revenues, minimizing Project costs, and assisting in the making of timely and optimal Project-related decisions. In order to allow TBI to effectively execute on the business plan for the Project, certain Project responsibilities will be performed by affiliates of TBI:

- (a) Deltera Inc. (“**Deltera**”) – development management / project management services, as detailed on Schedules “C” and “D”.
- (b) Deltera Construction Limited (“**DCL**”) – construction management, as detailed on Schedule “C” and to be set out in the CMA.
- (c) Del Realty Incorporated (“**Del Realty**”) – marketing and sales management, as detailed on Schedule “E”.

This interim term sheet (including the schedules and exhibits hereto, the “**Term Sheet**”) sets out the principal terms and conditions of a transaction (the “**Transaction**”) pursuant to which TBI and its affiliates specified herein, Mizrahi Commercial (The One) LP and Mizrahi Development (The One) Inc. (collectively, the “**Owner**”), and the Senior Secured Lenders, as applicable, will enter into various agreements and take the steps contemplated hereby in furtherance of completing the construction, development and realization of value from the Project, and sets out certain interim services to be provided during the Interim Period.

Upon execution, this Term Sheet is intended to create binding obligations amongst the parties hereto regarding the Transaction, which will be further documented by the agreements described herein to be entered into between the specified parties containing the terms set forth herein and such other usual and customary terms for a transaction of this nature, together with orders to be sought from the Court as described herein, subject to the right of any party to terminate this Term Sheet as contemplated herein.

Capitalized terms used herein have the meanings given to them in this Term Sheet, including Schedule “A” hereto.

<p><b>1. Developer and Affiliates</b></p>	<p>TBI together with Deltera, DCL and Del Realty are, collectively, “<b>Tridel</b>” or the “<b>Developer</b>” and each a “<b>Tridel Entity</b>” or the “<b>Tridel Entities</b>”.</p> <p>Any amount owing by a party to any other party under or in connection with this Term Sheet and/or any Tridel Agreement may be set off or otherwise applied against any obligation owing to such party under or in connection with this Term Sheet and/or any Tridel Agreement.</p>
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<p><b>2. Transaction Summary and Fee Schedule</b></p>	<p>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 for the benefit of the Senior Secured Lenders and other stakeholders in the Project. This engagement will require the specified parties to enter into the Tridel Agreements for the services described herein and therein.</p> <p>The compensation (including both fees and reimbursable expenses) payable to each member of the Tridel Entity for the services contemplated herein and in the Tridel Agreements shall be as set forth on Schedule "B" (the "<b>Fee Schedule</b>"). The accrued and unpaid fees owing to the Tridel Entities as contemplated by the Fee Schedule and any and all other amounts payable to the Tridel Entities under or pursuant to any of the Tridel Agreements shall be secured by a priority Court-ordered charge subordinate to the Court-ordered charges securing professional fees and the Super-Priority Financing. The Owner shall maintain all holdbacks required pursuant to applicable law in respect of amounts payable pursuant to the CMA, provided that the parties may agree to establish surety bond(s) in respect of such holdback obligations at the Tridel Entities' sole cost and expense.</p> <p>The aggregate liability of each of the Tridel Entities to the Owner under the Tridel Agreements shall be limited to available insurance <u>plus</u> (a) for claims asserted from the Effective Date until the first anniversary of the Effective Date ("<b>Year 1</b>"), [REDACTED]; and (b) for claims asserted after Year 1, [REDACTED].</p> <p>[REDACTED] The foregoing limitation on liability shall: (i) not restrict the Owner's claims against the Tridel Entities to the extent of available insurance or the Owner's setoff rights under Section 1 hereof; and (ii) not apply in respect of fraud, wilful misconduct or criminal acts.</p>
<p><b>3. Interim Developer Services</b></p>	<p>During the Interim Period: (i) DCL shall provide the interim construction management services described on Schedule "C" to the Receiver; (ii) Deltera shall provide the interim Project management services described on Schedule "C" to the Receiver; and (iii) Del Realty shall be available to the Receiver to assist with and commence certain of the services specified in Section 6 and commence planning activities for the sale and marketing plan for the Project generally (collectively, the "<b>Interim Services</b>").</p> <p>The Tridel Entities' compensation for the Interim Services shall be included within the fees payable to the Tridel Entities pursuant to the Fee Schedule; provided, however, that if the Transaction is not implemented and this Term Sheet is terminated pursuant to Section 20 hereof, and provided that the parties have acted reasonably and in good faith in an attempt to settle the Tridel Agreements on the terms contemplated herein, Deltera shall be entitled to retain a fixed fee of</p>

	<p>██████████ plus HST as compensation for the Interim Services (the “<b>Fixed Fee</b>”) as contemplated by Section 20 hereof. The Fixed Fee (if payable in accordance with the terms hereof) shall be the sole compensation of Tridel in the event the Transaction is not implemented and this Term Sheet is terminated.</p>
<p><b>4. Project Management Services</b></p>	<p>Deltera shall be the project manager for the Project and provide full service project management services for the Project to the Owner, including without limitation, the project management services specified on Schedules “C” and “D”.</p> <p>The Owner and Deltera shall enter into a Project Management and Services Agreement (“<b>PMSA</b>”) with respect to the provision of full service project management services for the Project, which shall be in form and substance satisfactory to each of Tridel, the Owner, the Receiver and the Senior Secured Lenders, which agreement will include the services described on Schedule “D”.</p> <p>Pursuant to the PMSA, Deltera shall grant the Owner a non-exclusive license to use the Tridel trademark(s) in the branding and operation of the Project, including, without limitation, in connection with the sale or lease of the Units and the commercial portion of the Project, which license shall be in form and substance satisfactory to each of Tridel, the Owner, the Receiver and the Senior Secured Lenders.</p> <p>Deltera’s fees and other compensation for the project management services and license to be provided under the PMSA shall be as set forth on the Fee Schedule.</p> <p>The PMSA shall become effective on the Effective Date.</p>
<p><b>5. Construction Management Services</b></p>	<p>DCL shall be the construction manager for the Project and provide full service construction management services for the Project to the Owner.</p> <p>The Owner and DCL shall enter into a CCDC-5B construction management contract (the “<b>CMA</b>”) substantially in the form of the CCDC-5B entered into between the Receiver and SKYGRiD Construction Inc. (“<b>SKYGRiD</b>”) dated June 5, 2024 (the “<b>SKYGRiD CMA</b>”), with necessary conforming changes and otherwise in form and substance satisfactory to each of Tridel, the Owner, the Receiver and the Senior Secured Lenders, which agreement will include the changes described on Schedule “F”.</p> <p>DCL’s fees and other compensation for the services to be provided under the CMA shall be as set forth on the Fee Schedule.</p> <p>The CMA shall become effective on the Effective Date and DCL will become the constructor of record for the Project on the Effective Date.</p>
<p><b>6. Residential Sales Management Services</b></p>	<p>Del Realty shall be the sole and exclusive sales agent for the residential condominium units (the “<b>Units</b>”) for the Project and provide full</p>

	<p>service brokerage and sales services for the Units including, without limitation, the services specified on Schedule “C”.</p> <p>The Owner and Del Realty shall enter into a Residential Sales Agreement (the “<b>RSA</b>”) with respect to full service brokerage and sales services for the Units, which shall be in form and substance satisfactory to each of Tridel, the Owner, the Receiver and the Senior Secured Lenders.</p> <p>Del Realty’s fees for the services to be provided under the RSA shall be as set forth on the Fee Schedule.</p> <p>The RSA shall become effective on the Effective Date.</p>
<b>7. Existing Hotel and F&amp;B Agreements</b>	<p>Prior to the Effective Date, as a condition precedent to the effectiveness of the Transaction, the Existing Hotel Agreements and the Existing F&amp;B Agreements will be disclaimed.</p>
<b>8. Hotel Operator and Branding</b>	<p>Tridel agrees to conduct a process after the Effective Date to assist in selecting a new operator of the hotel component and based on the results of this process will make recommendations to the Owner. The Owner shall reasonably consult with Tridel regarding the selection of the new hotel operator and any branding of the Project; provided that the Owner shall determine the hotel operator and any branding strategy.</p> <p>Tridel confirms that it is aware of the possibility that the Units (<i>i.e.</i>, the entire residential component of the Project) may be branded with a new hotel operator’s brand. Tridel consents to any such branding as determined by the Owner and agrees to work with the other parties to advance such strategy. Notwithstanding the foregoing, Tridel shall have the right to approve any “co-branding” of the Project that involves the use of Tridel’s brand together with the new hotel operator’s brand.</p>
<b>9. Key Personnel</b>	<p>Each of the PMSA, the CMA and the RSA will contain key personnel provisions requiring that certain specified Tridel personnel be involved in the Project and requiring Owner and Senior Secured Lender approval of any change in such key personnel, acting reasonably.</p>
<b>10. Cross-Default</b>	<p>Each of the Tridel Agreements will be cross-defaulted with each other such that if a party has the right to terminate any of the Tridel Agreements, it will have the right to terminate all of the Tridel Agreements, and the exercise of any right of termination by a party shall have the effect of terminating of all of the Tridel Agreements. Any termination of the Tridel Agreements by a Tridel Entity or the Owner shall require the authorization of the Court.</p> <p>The Tridel Agreements will not contain any provisions providing for liquidated damages in connection with any termination of the Tridel Agreements.</p>

<b>11. Assignment</b>	<p>The Owner shall have the right to collectively assign the Tridel Agreements as security in favour of the Senior Secured Lenders and Tridel will enter into such agreement as is reasonably required in respect of such assignment and the ability of the Senior Secured Lenders to collectively assign the Tridel Agreements in connection with enforcement of their security; provided that any such assignment shall be subject to the restrictions on assignment described below and any such assignee shall have the financial capacity to perform the obligations of the Owner under the Tridel Agreements (taking into account any financing obtained by the Owner).</p> <p>The Owner shall have the right to collectively assign the Tridel Agreements in connection with any sale of the Project upon prior written notice to Tridel; provided that:</p> <ul style="list-style-type: none"><li>(a) any such assignee shall have the financial capacity to perform the obligations of the Owner under the Tridel Agreements (taking into account any financing obtained by the Owner);</li><li>(b) the assignee is not listed on the list of restricted assignees agreed to by the parties as set out in Schedule H;</li><li>(c) the assignee is a legal entity organized and existing under the laws of Canada or a province thereof; and</li><li>(d) the assignee covenants and undertakes to maintain a comparable level and quality of materials and workmanship to be provided and performed in relation to the Project consistent with Project designs and plans contemplated by the Project Budget in force prior to the assignment (subject to the same Project change rights as the Owner to be agreed to under the PMSA).</li></ul>
<b>12. Finishing Work &amp; Project Changes</b>	<p>The PMSA and the CMA will contemplate and permit that there may be changes to the Project, including a sale of the commercial portion of the Project, that may result in certain Project work and/or finishing work being completed by parties other than DCL, and that no fees or other compensation shall be payable to DCL or any other Tridel Entity in respect of any such work (it being understood that nothing in this provision shall detract from DCL's obligations under the CMA for any work in relation to the Project, including on the commercial portion, prior to, or as required in connection with, any such change or sale).</p>
<b>13. Construction Management Transition</b>	<p>During the Interim Period, Deltera agrees to work on a co-operative and collaborative basis with SKYGRiD to prepare the Project for transition from SKYGRiD, as construction manager, to DCL, as construction manager. Among other things, this will include providing the services described under the "Management Transition" heading in Schedule "C" hereto.</p>
<b>14. Court Approval</b>	<p>The Receiver, with the support of the Senior Secured Lenders, shall bring a motion to the Court seeking approval of the Transaction</p>

	<p>pursuant to the SISP, as well as seeking such other approvals and relief from the Court that are required by the parties for the implementation of the Transaction, in each case on terms acceptable to the Receiver, the Senior Secured Lenders and Tridel, each acting reasonably (collectively, “<b>Court Approval</b>”). The relief sought as part of the Court Approval shall include (i) an order providing that the Tridel Entities shall not be liable for any claims under or in relation to existing Unit purchase agreements which arise from facts or circumstances in existence prior to the Effective Date or from acts or omissions of the Owner, its employees, agents, assigns or contractors, including without limitation SKYGRiD, and (ii) approving changing the corporate name of the Owner.</p>
<b>15. Financing</b>	<p>The Senior Secured Lenders, as lenders, shall agree to enter into a further super-priority financing agreement to fund the completion of the Project and the ongoing restructuring proceedings (the “<b>Financing Agreement</b>”) on terms agreeable to the Senior Secured Lenders, the Receiver and Tridel, each acting reasonably.</p> <p>The Financing Agreement, together with the RFCA, is referred to herein as the “<b>Super-Priority Financing</b>”.</p>
<b>16. CSA Plan</b>	<p>Pursuant to the PMSA and the RSA, Deltera and Del Realty will advise and assist with respect to: (i) the optimal Unit configuration for the Project considering a branded residence concept with a premium hotel operator; (ii) optimal pricing for Units; (iii) strategy for existing purchase agreements to be retained or disclaimed based on the reconfiguration and pricing analysis (and the Receiver shall upon the execution of this Term Sheet provide copies of all existing Unit purchase agreements to Deltera and Del Realty for purposes of completing such analysis); (iv) a comprehensive communication plan for existing purchasers, Tarion, HCRA, and Westmount/Aviva; (v) establishing a timeline and procedure for the implementation of the plan with respect to existing purchase agreements for Units; and (vi) preparation of any information necessary for court materials with respect to the plan for condominium purchase agreement matters.</p>
<b>17. HCRA Matters</b>	<p>DCL represents and warrants in favour of the Receiver and the Senior Secured Lenders that it is licensed as a builder by the Home Construction Regulatory Authority (Ontario) (“<b>HCRA</b>”) and its license is in good standing and has not expired or been revoked. DCL shall take all necessary and appropriate steps to maintain DCL’s license as a builder with HCRA in good standing.</p> <p>Upon the Effective Date, Deltera shall (without incurring any financial obligations or liability except to the extent backstopped by the Owner in form and substance satisfactory to Deltera): (i) assist the Nominee in ensuring that the Nominee continues to be licensed by HCRA as a vendor (and as the licensed vendor of Units in relation to the Project) and that the Nominee’s license is maintained in good standing with</p>

	HCRA; and (ii) assist DCL as reasonably required in order that DCL is recognized by HCRA as the licensed builder of Project.
<b>18. Tarion Matters</b>	<p>Pursuant to the CMA, DCL shall take all necessary and appropriate steps to assist in connection with the Nominee’s qualification of enrollment registration with Tarion Warranty Corporation (“<b>Tarion</b>”) in order to obtain qualification for enrolment confirmation for the Units, including the terms and conditions in relation to same with Tarion and procuring any bonds required by Tarion, all in consultation with the Owner; provided that the Owner shall be responsible for the costs of obtaining any Tarion bond or other credit support.</p> <p>Without limiting any of DCL’s obligations under the CMA, Deltera will manage, on behalf of the Owner, the obligations of DCL under the CMA in respect of the Tarion technical audit and warranty provision for the Project, including managing on behalf of the Owner the rectification of any construction deficiencies (including by applicable construction managers and trade contractors), whether such construction deficiencies arose or relate to construction performed prior to the Effective Date or on or following the Effective Date; provided that (i) the Owner shall be responsible for all costs associated with remedying any construction deficiencies relating to construction performed prior to the Effective Date; and (ii) the Owner shall establish a reserve fund for the Owner’s obligations under the foregoing (i), which reserve fund shall be in an amount and on terms satisfactory to DCL and the Owner, each acting reasonably. For the avoidance of doubt, nothing herein shall be construed so as to waive or otherwise limit any rights the Owner or the Receiver may have against parties other than the Tridel Entities in respect of construction deficiencies relating to construction performed prior to the Effective Date.</p>
<b>19. Representations &amp; Warranties</b>	<p>Each of the parties signatory hereto represents and warrants in favour of the other parties hereto that:</p> <ul style="list-style-type: none"><li>(i) it is duly formed, validly existing, organized and in good standing under the laws of its jurisdiction of formation and has not been dissolved;</li><li>(ii) it has all requisite corporate power, authority and capacity to own, lease and operate its property and assets and to carry on its business as presently conducted;</li><li>(iii) it has the capacity, authority and power to execute, deliver and perform this Term Sheet and all of the agreements contemplated hereby to which it is contemplated to be a party and to consummate the transactions contemplated hereby and thereby (subject, in the case of the Receiver, to obtaining Court Approval, provided that the obligation to pay the Project Management Fee Advance and the Construction Management Fee Advance and seek Court</li></ul>

	<p>Approval, and Sections 20 through 24 hereof (collectively, the “<b>Specified Provisions</b>”), shall be binding upon the Receiver from execution);</p> <p>(iv) this Term Sheet has been duly and validly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation of the party, enforceable against it in accordance with its terms, except (i) as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors’ rights generally, (ii) as such enforceability may be limited by general principles of equity, regardless of whether asserted in a proceeding in equity or law, and (iii) in the case of the Receiver, subject to obtaining Court Approval for purposes of the Term Sheet constituting a binding obligation of the Receiver (provided that the Specified Provisions shall be binding upon the Receiver from execution); and</p> <p>(v) neither the execution and delivery of this Term Sheet or any other agreement or document to which it is or will become a party as contemplated by this Term Sheet, the consummation of the Transaction contemplated herein or therein nor compliance by it with any provisions hereof or thereof will (a) conflict with or result (with or without notice, lapse of time or both) in a breach of any of the terms, conditions or provisions of the articles, by-laws or other constating documents of the party, (b) other than with respect to the Owner, conflict with or result in a breach or a default (or give rise to any right of termination, cancellation, acceleration, modification or other right) under any of the provisions of any note, bond, mortgage, indenture, franchise, permit, material contract or other instrument or obligation to which it is a party, or by which it is bound or affected, or (c) violate any laws applicable to the party or any of its properties or assets in any material respect.</p>
<p><b>20. Termination</b></p>	<p>This Term Sheet may be terminated by any party hereto on not less than five (5) days written notice to each of the other parties hereto in the event (i) the Tridel Agreements are not settled on or before December 20, 2024, or such later date as the parties may mutually agree to in writing (email being sufficient), (ii) the Court declines to grant Court Approval; or (iii) the Effective Date has not occurred on or before January 31, 2025, or such later date as the parties may mutually agree to in writing (email being sufficient).</p> <p>Upon the termination of this Term Sheet in accordance with the foregoing provision: (i) this Term Sheet shall be terminated and no</p>

	<p>party shall have any further liability to any other party, provided that the provisions of Sections 20 through 24 hereof shall remain in full force and effect notwithstanding such termination; and (ii) Tridel shall, within five (5) business days, repay the Project Management Fee Advance and the Construction Management Fee Advance to the Receiver without setoff or deduction of any kind, provided that Tridel shall be entitled to retain an amount equal to the Fixed Fee as compensation for performance of the Interim Services.</p>
<b>21. Expenses</b>	<p>Each party to this Term Sheet shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation and execution of this Term Sheet and all documents and instruments executed or delivered in connection with this Term Sheet, as well as any other fees, costs and expenses incurred; provided that nothing in this provision shall be construed so as to limit the expense reimbursement entitlements of the Senior Secured Lenders under the RFCA. For the avoidance of doubt, Tridel shall have no expense reimbursement obligations to the Senior Secured Lenders under this Term Sheet.</p>
<b>22. Governing Law</b>	<p>This Term Sheet and all of the agreements and other Transaction documents contemplated hereby shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein, and the parties attorn to the Court with respect to any and all disputes arising under or in connection with this Term Sheet, the agreements contemplated hereby or the Transaction.</p>
<b>23. Capacity of Receiver</b>	<p>The Receiver is executing this Term Sheet solely in its capacity as Receiver and not in its personal or corporate capacity. The other parties hereto agree and acknowledge that this Term Sheet and any other agreement or instrument entered into by the Receiver in connection with this Term Sheet, are entirely non-recourse to Alvarez &amp; Marsal Canada Inc. and any of its affiliates and any of their respective shareholders, directors, officers or employees. For greater certainty, the Receiver shall have no personal liability under or in connection with this Term Sheet, and it expressly disclaims any such liability.</p>
<b>24. General</b>	<p>Nothing in this Term Sheet shall constitute or be construed to be or create a partnership or joint venture between the Owner and the Developer.</p> <p>This Term Sheet shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors and permitted assigns.</p> <p>This Term Sheet may be executed in counterparts and by electronic means, each of which shall constitute an original, but all of which when taken together shall constitute a single agreement.</p>

	<p>This Term Sheet may not be assigned by any party hereto without the prior written consent of each of the other parties hereto, which consent may be withheld in such parties sole and absolute discretion.</p> <p>Each of the parties agree that it will not: (a) prior to the Effective Date, post any “Tridel” or “Deltera” signs and or other branding at the Project site; and (b) make any public announcements, statements or other release regarding the Transaction, without the prior written consent of the other parties hereto; provided that nothing in this provision shall be construed so as to restrict the Receiver’s obligation to report to the Court.</p> <p>Upon the termination of this Term Sheet, the parties shall refrain from any further use of the names “Deltera”, “Tridel” and other related Tridel branding in respect of the Project.</p>
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**AGREED TO** by the parties as of the date first written above:

**TRIDEL BUILDERS INC.**

Per:   
Name: James Ritchie  
Title: President

Per:   
Name: Len Gliotti  
Title: Senior Vice President, Finance and Corporate Services

**DELTERA INC.**

Per:   
Name: James Ritchie  
Title: President

Per:   
Name: Len Gliotti  
Title: Senior Vice President, Finance and Corporate Services

**DELTERA CONSTRUCTION LIMITED**

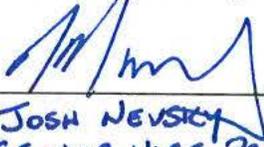
Per:   
Name: Mario Cimitata  
Title: President

**DEL REALTY INC.**

Per:   
Name: James Ritchie  
Title: President

**ALVAREZ & MARSAL CANADA INC. in its capacity as receiver and manager 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., and not in its personal or corporate capacity**

Per:

  
Name: **JOSH NEVSKY**  
Title: **SENIOR VICE PRESIDENT**

**KEB HANA BANK as trustee of IGIS GLOBAL PRIVATE PLACEMENT REAL ESTATE FUND NO. 530<sup>1)</sup>**

Per:

  
Name: **Jung Min Cha**  
Title: **Senior Manager**

Per:

\_\_\_\_\_  
Name:  
Title:

1) KEB Hana Bank is the Trustee for IGIS GLOBAL PRIVATE PLACEMENT REAL ESTATE FUND NO. 530 (the "Fund"), which has been established under the Financial Investment Services and Capital Markets Act (the "FSCMA"), and it is entering into this Agreement upon instruction from the Collective Investment Management Company. IGIS Asset Management. All rights and obligations of KEB Hana Bank in connection with this Agreement shall be exercised and performed in accordance with instructions from the Collective Investment Management Company; all proceeds arising as a result of KEB Hana Bank's exercise of rights shall be distributed to the Fund; KEB Hana Bank's duties and responsibilities shall be within the limit of the Fund's assets.

## SCHEDULE “A” – CERTAIN DEFINITIONS

The following capitalized terms have the following meanings when used in this Term Sheet:

“**Companies**” means, collectively, the Owner and Mizrahi Commercial (The One) GP Inc.

“**Construction Management Fee Advance**” means the [REDACTED] advance of the Construction Management Fee contemplated by the Fee Schedule.

“**Effective Date**” means the date the Transaction is implemented and each of the Tridel Agreements comes into full force and effect, being the date that is ten (10) days after Court Approval or such other date as the parties shall mutually agree to.

“**Existing F&B Agreements**” means, collectively, (i) the Lease dated August 10, 2018 between the Nominee, as landlord, and King Street Company Inc., as tenant, in respect of premises to be located on the 3rd and 4th floors of the Project, as amended by a Mutual Waiver dated December 11, 2018 between the Nominee and King Street Company Inc. and an Acknowledgement dated August 19, 2019 between the Nominee and King Street Company Inc.; (ii) the Lease dated August 10, 2018 between the Nominee, as landlord, and King Street Company Inc., as tenant, in respect of premises to be located on the 1st and 2nd floors of the Project, as amended by a Mutual Waiver dated December 11, 2018 between the Nominee and King Street Company Inc. and an Acknowledgement dated August 19, 2019 between the Nominee and King Street Company Inc., in each case as assumed by 2825420 Ontario Inc., as tenant, and indemnified by 2817332 Ontario Inc. and as further amended, assumed, restated, supplemented and otherwise modified; and (iii) any and all other related material agreements and/or contracts of any kind of which the Receiver is aware that are between the parties to the agreements described in (i) and (ii) above or relate solely to the operation of restaurants contemplated by the agreements described in (i) and (ii) above.

“**Existing Hotel Agreements**” means, collectively, (i) the Hotel Services Agreement Andaz Toronto – Yorkville dated December 20, 2018 between the Nominee and Hyatt Hotels of Canada, Inc.; (ii) the Side Letter related to the Hotel Services Agreement dated December 20, 2018 from Hyatt Hotels of Canada, Inc. and accepted by the Nominee; (iii) the Technical Services Agreement Andaz Toronto Yorkville dated December 20, 2018 between the Nominee and Hyatt International Technical Services, Inc.; (iv) Trademarks License Agreement Andaz Toronto – Yorkville dated December 20, 2018 between the Nominee and Hyatt Corporation; and (v) any and all other related material agreements and/or contracts of any kind of which the Receiver is aware that are between the parties to the agreements described in (i) to (iv) above or relate solely to the operation of the hotel contemplated by the agreements described in (i) to (iv) above.

“**Interim Period**” means the period from the date hereof until the Effective Date.

“**Nominee**” means Mizrahi Development Group (The One) Inc.

“**Project**” means a mixed-use tower located at the southwest corner of Yonge Street and Bloor Street West in Toronto, Ontario and legally described in PIN 21109-0244 (LT).

“**Project Management Fee Advance**” means the [REDACTED] advance of the Project Management Fee contemplated by the Fee Schedule.

“**Receiver**” means Alvarez & Marsal Canada Inc., solely in its capacity as court-appointed receiver and manager and not in its personal or corporate capacity, without security, of all of the assets, undertakings and properties of the Companies, including, without limitation, the real property known municipally as 1 Bloor Street West, Toronto, and as described in Exhibit 1 of the RFCA.

“**RFCA**” means the credit agreement dated October 18, 2023, between the Receiver, as borrower and the RFCA Senior Secured Lender, as lender, as amended, restated, supplemented and otherwise modified from time to time.

“**RFCA Senior Secured Lender**” means KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530.

“**Senior Secured Lenders**” means the RFCA Senior Secured Lender as lender under the RFCA and/or as the context requires the RFCA Senior Secured Lender or such other lenders as shall be arranged by the RFCA Senior Secured Lender to provide the financing pursuant to the Financing Agreement.

“**Tridel Agreements**” means the PMSA, the CMA and the RSA.

**SCHEDULE "B" – FEE SCHEDULE**

[REDACTED]	[REDACTED]

<p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

	<p>[REDACTED]</p>
<p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

<sup>1</sup> All amounts referenced herein are in Canadian dollars.

	<p>[REDACTED]</p>

## SCHEDULE “C” - INTERIM DEVELOPER SERVICES

### **Construction Management**

1. DCL will provide the following construction management services to the Receiver during the Interim Period:
  - a. initial mobilization efforts associated with “pre-construction activities” including data collection and project setup; establishing procedures, protocols, health and safety plans, construction budgets, and construction schedules; the Quality Management Plan; software customization and configuration; strategic procurement, tendering and contract awarding;
  - b. coordinating with SKYGRiD regarding the transition to DCL, including as set forth in the Term Sheet and as described below under the Management Transition header;
  - c. advisory services with respect to the construction of the Project at the request of the Receiver; and
  - d. initial mobilization efforts with respect to the matters addressed in Sections 17 and 18 of this Term Sheet.

### **Project Management**

1. Deltera will provide the following project management services to the Receiver during the Interim Period (collectively, “**Interim Project Management Services**”):
  - a. initial mobilization efforts associated with “pre-sales/launch activities” including data collection; project setup; establishing procedures, protocols, safety plans, project budgets, project schedules and development plans; and managing and developing the numerous legal agreements associated with selling the residential and commercial components, including the agreements of purchase and sale (APS), the shared facilities agreements, and the cost-sharing agreements, etc.
  - b. advisory services with respect to the development and management of the Project at the request of the Receiver, including with respect to plans for treatment of existing purchase agreements for Units;
  - c. assisting the Receiver with the review, consideration and initial planning activities in connection with potential alternative floor plate configurations, and other similar Project design and reconfiguration activities;
  - d. providing the services set out in Section 16 of this Term Sheet;
  - e. if requested by the Receiver, conduct a formal process to assist in selecting a new operator of the hotel component;
  - f. complete a review and submit a proposed development budget to be agreed upon and approved by the Receiver, the Owner, Finnegan Marshall as cost consultant (the “**Cost Consultant**”), and DCL prior to the Effective Date (the “**Development Budget**”); and
  - g. Complete a review and submit a proposed schedule to be agreed upon and approved by the Receiver, the Owner, the Cost Consultant, and DCL prior to the Effective Date.

### **Management Transition**

1. Deltera will work with SKYGRiD on a cooperative basis to align with the current SKYGRiD Project management team to determine a detailed transition plan.

2. This transition planning will include commencing the activities listed below, each of which will continue to be advanced by Deltera or DCL following the Effective Date pursuant to the terms of the PMSA or the CMA, as applicable:
  - a. Development of a process flow chart and an organizational chart for all Project-specific resources;
  - b. Resources will include an Executive Vice President, Director, Project Manager, Estimating Director, Senior Scheduler, Innovation Director, Document Administrator, BIM Coordinator (clash detection), Quality Assurance/Quality Controls, Applications Specialist and additional support staff;
  - c. On-site resources will include, but are not limited to, a General Site Super, a Senior Site Operations Manager, a Director of Health and Safety, a Structural Super, a Vertical Transportation Super, a Mechanical and Electrical Manager, an Envelope and Cladding Manager, a Finishing Super, and various other managers, co-ordinators, specialists, labourers, and support staff;
  - d. Establish final ownership regime (condominium versus freehold);
  - e. Establish all shared facility areas and usage requirements;
  - f. Work with a lawyer and surveyor to draft registration plans and documents;
  - g. Work with a lawyer and surveyor to draft a registration schedule;
  - h. Provide a statistical breakdown of all required areas (i.e., residential, commercial (hotel and parking), retail, shared) and the approximate total square footage of each such component based on the plans and specifications furnished by the Owner to Deltera;
  - i. Work with the Owner and its consultants to prepare the final operating budget for parking, retail, hotel, and condominium components;
  - j. Prepare a reserve fund study with the Cost Consultant;
  - k. Review current contracts and scope of work and assist in assumption, assignment and/or novation of subcontracts to DCL;
  - l. Consult with and reconcile cost reports with Finnegan Marshall, including outstanding change orders;
  - m. Review the current procurement schedule and establish a procurement strategy moving forward;
  - n. Review the scope of work and cost to complete related to shared common areas (e.g., hotels, retail, etc.);
  - o. Review the complete set of construction documents, including drawings and specifications, shared drawings and agreements, easement drawings and agreements, contract documents, the features and finishes list for sold and unsold Units, shop drawings progress and approvals to date, current permit status, a complete and detailed construction schedule;
  - p. During this transition, Tridel will also outline a strategy to maintain the Project's schedule, and establish a detailed schedule for retail, the hotel and parking, once the scope of work is finalized; and
  - q. Assist with the implementation of decisions of the Receiver or the Owner made in connection with the Project, as consented to by the Senior Secured Lenders, or any policies or procedures relating thereto.

## SCHEDULE “D” – PMSA – SERVICES

### Project Management Services

1. Deltera will provide full service project management services for the Project. This includes, but is not limited to:
  - a. Project planning, coordinating with various stakeholders, and managing budgets and timelines for the parking, retail (which shall, when referenced herein, include any restaurant component), and hotel components together with the residential condominium component, with the aim of optimizing the expected performance and returns of the overall Project.
  - b. Interim Project Management Services, to the extent not completed in the Interim Period.
  - c. The range of services and responsibilities of Deltera includes the following:
    - i. provide experienced internal Tridel resources (project management, estimating, scheduling, accounting, development, décor, customer care, technology audit) to ensure overall Project success, including on-time and on-budget delivery
    - ii. develop a vision statement and development concept for the completion of the Project
    - iii. oversee and administer the transition of all construction documents including trade contracts, project schedule, cost to complete, cost to date, etc.
    - iv. negotiate, oversee and administer and provide advice with respect to all contracts required for the Project, including, cost sharing and easement agreements
    - v. assess and determine project risks and opportunities for savings and establish solution strategies through value engineering
    - vi. at the Owner’s cost, arrange and maintain the requisite insurance as required during the various stages of the Project
    - vii. manage and supervise the overall Project in accordance with the plans and specifications and construction schedule
    - viii. ensure Project compliance with laws and governing agreements
    - ix. supervise the creation, production, and distribution of all marketing materials and all marketing and sales activities for the entire Project, including any revision of residential suite designs, unit layouts, and interior finishes/fit-outs
    - x. manage any required site plan approvals or other required approvals from governmental authorities, registration of plan of condominium approval and turnover
    - xi. negotiate, arrange, and administer, at the Owner’s cost, payment of all fees and levies imposed during the development of the overall Project
    - xii. review the procurement schedule and determine a list of outstanding construction contracts and associated scopes for tendering and contract award
    - xiii. prepare a cost of construction estimate that breaks out the various components of the Project (for parking, retail, hotel, and residential components)
    - xiv. manage all the consultants outside of construction management services
    - xv. develop strategies for, and manage the lease-up, fit-out and other arrangements in respect of the retail and hotel components
    - xvi. advise with respect to strategies for the parking component of the Project
    - xvii. manage the customer care/relations process with residential condominium purchasers and co-sign any new purchase agreements
    - xviii. provide technical audit services for the rectification of all construction-related deficiency and warranty items

- xix. assist the Owner with any litigation, regulatory proceedings and disputes relating to the Project
  - xx. provide off-site services, including bookkeeping and accounting services, estimating services, overall Project scheduling, and other ad hoc reporting as may be required and agreed to with the Owner
  - xxi. prepare and submit from time to time the overall Development Budget and any updates thereto. This process includes:
    - 1. managing all invoices and statements of accounts in connection with the development, marketing, and construction of the Project
    - 2. implementing internal, proprietary monthly cost control protocol, monthly budget and construction schedule review (project management operating procedures)
  - xxii. produce revised accurate condominium documentation
  - xxiii. produce "R" plan(s) for registration
  - xxiv. produce cost-sharing regime
  - xxv. maintain all books and records, contracts, and invoices
  - xxvi. manage all invoices and statements of accounts in connection with the development, marketing, and construction of the Project
  - xxvii. manage Unit purchaser extras and interior design services
  - xxviii. manage the warranty obligations stipulated in the various agreements with the contractors and subcontractors as they relate to the parking structure, retail, and hotel components of the Project
  - xxix. prepare and submit to Owner, for the approval of Owner, monthly draw requests in the form required pursuant to the Financing Agreement and provide such information as reasonably requested by the Senior Secured Lenders party to the Financing Agreement
  - xxx. implement decisions of the Owner made in connection with the Project, as consented to by the Senior Secured Lenders, or any policies or procedures relating thereto
- d. Manage Tarion warranty enrollment and licensing services, including performing the Tarion and HCRA-related obligations specified in Sections 17 and 18 of the Term Sheet
- e. Perform and administer any and all other services and responsibilities of Deltera which are requested to be performed by Owner and are within the general scope of the services described and are typical for a project similar to the Project

## **SCHEDULE “E” – RESIDENTIAL SALES AGREEMENT**

1. Del Realty will provide full service residential condominium unit sales management services for the Project. This includes, but is not limited to:
  - a. provide a sufficient number of sales personnel and support staff to sell the Units
  - b. retain, if consented to by the Owner, the services of third-party sales agents or brokers to sell the Units;
  - c. utilize the marketing materials, model suites, on-site sales offices and presentation or sales centers provided or made available to Del Realty;
  - d. manage and supervise all sales personnel, agents, and brokers and all activities related to the sale of the Units and the Unit purchase agreements; and
  - e. provide necessary record keeping in respect of the Unit purchase agreements

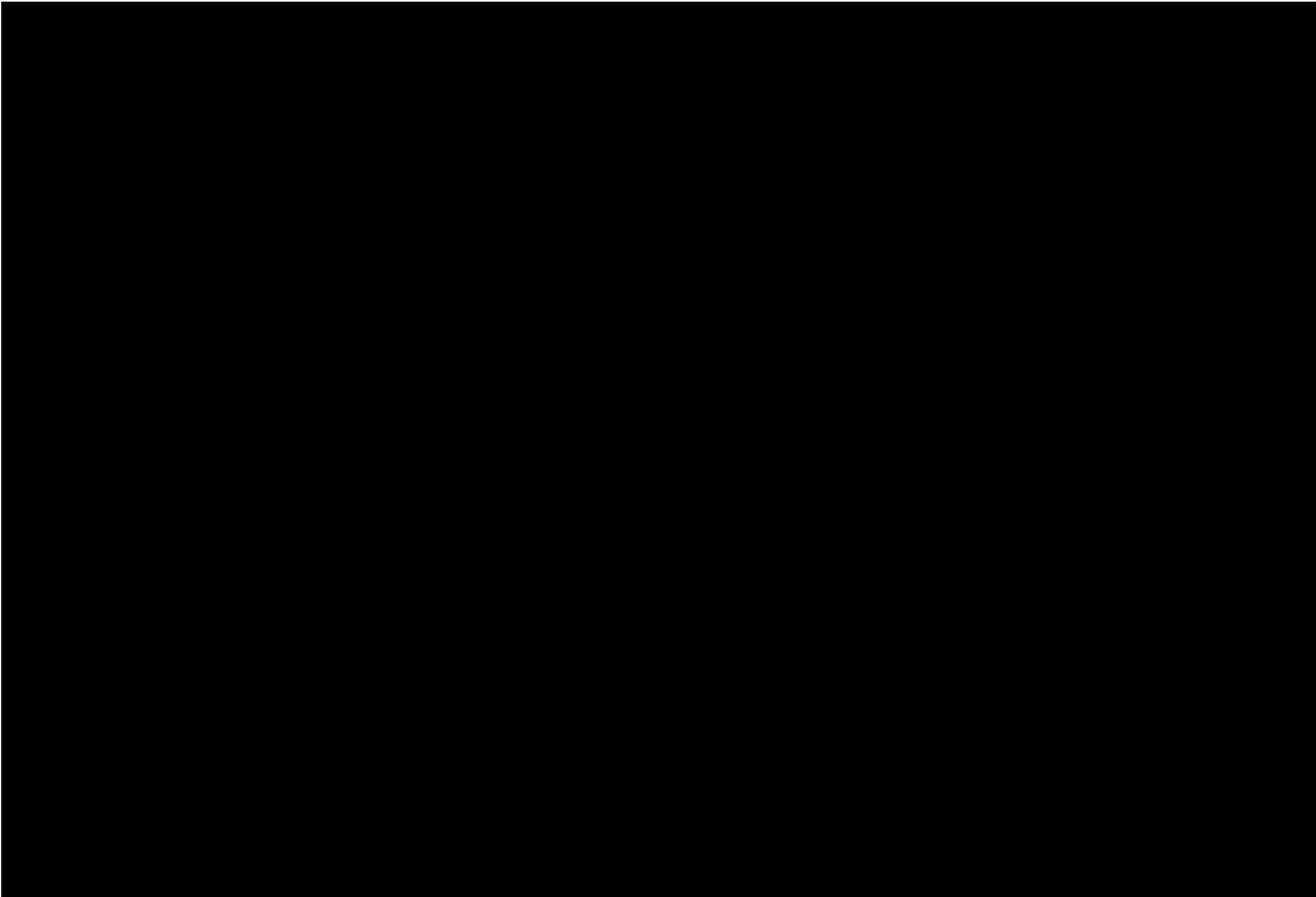
## SCHEDULE “F” – AGREED CHANGES TO CMA

*Capitalized terms used but not defined in the Term Sheet have the meanings given to them in the draft CMA.*

<b>CMA Concept</b>	<b>Agreed Changes to SKYGRiD CMA</b>
1. Pre-Effective Date Risk	Throughout the Contract, clarifications to be added confirming DCL’s responsibility for Work and Services from and after the Effective Date, including (without limitation) a general statement of risk allocation in Article A-1.4, and excluding responsibility and liability for Pre-Effective Date Risk (which, as defined, would include both SKYGRiD and MI era work).
2. Fees and Compensation	Fee and compensation arrangements to be revised to reflect fee and compensation terms for the CMA agreed to in the Term Sheet (i.e. in the Fee Schedule, including the Project Personnel Matrix).
3. Assignment	Assignment provisions to be revised to reflect the assignment terms agreed to in the Term Sheet.
4. Descoping	As contemplated by the Term Sheet, in the event of, and to the extent of, any descoping of parts of the Work, DCL shall not be entitled to any costs or damages for such descoped work; provided that DCL shall be reimbursed for any costs directly incurred by DCL in the course of completing such descoped work (as approved by the Cost Consultant).
5. Termination	<ul style="list-style-type: none"> <li>• To be revised to reflect the agreed terms of the Term Sheet, including to confirm that termination of the CMA must be concurrent with termination of the other Tridel Agreements</li> <li>• To provide that, in any termination, DCL is paid for Work and Services performed up to the date of Termination, subject to the rights of set-off described in the Term Sheet</li> <li>• To delete the forfeiture of unpaid amounts in the case of abandonment</li> </ul>
6. Indemnification	To be revised to reflect the liability limitations agreed to in the Term Sheet, and to confirm that DCL is not liable for any act or omission of the Owner, Other Contractors or the Prior CM, or for any act or omission occurring prior to or loss arising prior to the Effective Date. To include a customary indemnity from Owner to DCL, provided that such indemnity will not be secured by the contemplated Court-ordered charge in favour of the Tridel Entities or otherwise entitled to any priority relative to the amounts owing to the Senior Secured Lenders, but will be fully enforceable against any permitted assignee following an assignment in connection with any sale of the Project in accordance with the Term Sheet.
7. Warranty	To be revised to reflect that the Project Manager will be administering and managing warranty work on behalf of the Owner under the PMSA and to confirm that DCL does not carry risk for Pre-Effective Date Work or Pre-

	Effective Date Risks, but will carry risk for work performed from and after the Effective Date.
8. Warranty	To be revised to carve out risks, costs and liens arising from the work of Existing Subcontractors performed prior to the Effective Date.

**SCHEDULE "G" – PROJECT STAFFING MATRIX**



**SCHEDULE "H" – RESTRICTED ASSIGNEES**

The following is the agreed list of developers who are restricted assignees agreed to by the parties for the purposes of Section 11(b) of the Term Sheet (including any affiliate, related party, partnership or joint venture of any of the following):

[REDACTED]

■ [REDACTED]

[REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

[REDACTED]

■ [REDACTED]

## APPENDIX “C”



July 17, 2024

**Private & Confidential**

**1 Bloor Street West – SISP Phase 1 – Process Update Letter**

We appreciate your continued interest in exploring the opportunity to submit a Development Proposal in connection with the sale and investment solicitation process (the “**SISP**”) in respect of the development project located at 1 Bloor Street West (the “**Project**”). Capitalized terms used in this letter and not otherwise defined have the meaning given to them in the SISP.

As you are aware, Alvarez & Marsal Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Mizrahi Development Group (The One) Inc., Mizrahi Commercial (The One) LP, 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 the Project and the Project itself, including all proceeds thereof (the “**Property**”).

On June 6, 2024, the Court granted the Order (Approval of SISP) approving the SISP in respect of the Property and authorizing and directing the Receiver and Jones Lang LaSalle Real Estate Services, Inc. (“**JLL**”), in its capacity as the Receiver’s real estate broker, to implement the SISP pursuant to the terms thereof.

As contemplated in the SISP, the SISP is designed to solicit interest in the opportunities to submit a Development Proposal or a Transaction Proposal. This process update letter pertains to Development Proposals.

**Phase 1 Bid Deadline**

Participating Bidders wishing to pursue an Opportunity in connection with the Project must deliver a non-binding letter of intent (“**LOI**”) by not later than 5:00 pm (Toronto time) on July 30, 2024 (the “**Phase 1 Bid Deadline**”). LOI’s must be submitted in writing and delivered by email to:

**Matthew Picken**  
Managing Director  
JLL Capital Markets  
[Matt.Picken@jll.com](mailto:Matt.Picken@jll.com)

**Bryce Gibson**  
Executive Vice President  
JLL Capital Markets  
[Bryce.Gibson@jll.com](mailto:Bryce.Gibson@jll.com)

**Stephen Ferguson**  
Senior Vice-President  
Alvarez & Marsal Canada Inc.  
[sferguson@alvarezandmarsal.com](mailto:sferguson@alvarezandmarsal.com)

**Josh Nevsky**  
Senior Vice-President  
Alvarez & Marsal Canada Inc.  
[jnevsky@alvarezandmarsal.com](mailto:jnevsky@alvarezandmarsal.com)

**Additional Development Proposal Submission Requests**

Further to the criteria outlined in the SISP and without limiting such criteria, the following information is also being requested from Participating Bidders in their submission of an LOI for a Development Proposal. The requests set out below have been developed in consultation with the Senior Secured Lenders and are designed to assist in the review and comparison of LOI submissions for Development Proposals.

*Development Experience*

- Your proposed development project team and their respective credentials.
- Synopsis of experience in the development of large mixed-use, high-rise development projects in urban centres. Please include a listing of recently completed, current and future development projects.
- Proposed strategy to re-launch the Project under new branding, including value-maximizing opportunities for the Residential Component and Commercial Component.
- Specific experience in coordinating and operating multiple commercial components (i.e., hotel, retail, food & beverage).

### *Financial Covenant*

- Information regarding the legal entity to be contracted as the “developer”.
- Proof of financial wherewithal of such entity to perform its obligations as developer (i.e., balance sheet, bank letter, etc.).

### *Residential Component*

- Valuation of individual residential condo units.
- Proposed strategy regarding retention or disclaimer of the existing condominium purchase agreements.
- General marketing and sales strategy, including: (a) details regarding any third-party advisors or brokers required, and (b) plan to review residential suite designs, unit layouts and interior finishes/fit-outs.
- The Receiver has obtained Court approval to reconfigure certain of the upper-level floors to add an additional 88 condominium units to the Residential Component. Please provide information regarding any additional or alternative strategies available to optimize condominium sales revenue and/or absorption.

### *Commercial Components*

- Leasing and operating strategies in connection with the commercial spaces that currently exist on each of the ground floor/concourse, third floor and fourth floor areas.
- Proposed strategy regarding the retention or disclaimer of existing hotel and food & beverage operating agreements.
- Proposed strategy to maximize value of the underground parking garage.
- Specific information and/or case studies regarding prior hotel experience (including internal development and operating resources) and information regarding relationships with preferred luxury retail and hotel brands.

### *Construction Management*

- Proposed strategy to retain or terminate the Construction Management Contract with SKYGRiD Construction Inc. (the “**SKYGRiD Contract**”).
- If you propose to terminate the SKYGRiD Contract, please outline and explain your transition plan and timeline, including a risk mitigation strategy to prevent disruption to ongoing construction. Please explain the relationship between your “construction manager” and “developer manager” entities to ensure interests are aligned to maximize the value of the project.
- Information regarding how an incoming developer will provide oversight of the construction, tendering and procurement processes, including information regarding your proposed Tarion warranty management plan.
- Proposed decision making and reporting structure with the Senior Secured Lenders.

### *Fee Structure*

- Detailed information and illustrative example of your proposed fee structure, including any proposed incentive fees.
- Outline any proposed equity or other investment, and contemplated return structure.

*Pro Forma Analysis*

- Please complete the Pro Forma spreadsheet template included in the Data Room under folder “07. Offering Process”.

The terms and content of this letter are subject to the terms of the non-disclosure agreement you have entered into with the Receiver. JLL, the Receiver and their respective affiliates and advisors assume no liability or obligation whatsoever to any Participating Bidders in connection with the SISP and the process outlined in this letter, including, but not limited to, as a result of the rejection of any or all of the LOIs, the acceptance of another Participating Bidder’s LOI or the termination of the SISP. No party will be entitled for any reason (including, without limitation, any modification of the procedures contemplated herein or in the SISP) to reimbursement for any costs or expenses incurred in reliance upon the procedures set forth in this letter or the SISP, as such procedures may be modified from time to time in accordance with the SISP. JLL and the Receiver reserve the right to amend any information which has been made available to Participating Bidders whether by way of addition, deletion, amendment or otherwise.

Following the Phase 1 Bid Deadline, the Receiver, in consultation with JLL and the Senior Secured Lenders, will evaluate the LOIs received and may select a short list of Participating Bidders who will be invited to proceed to Phase 2 in accordance with the terms of the SISP. Further information will be forwarded to those Participating Bidders who are invited to participate in Phase 2, which will include details on completing due diligence and instructions for submitting a Final Bid. Participating Bidders selected to participate in Phase 2 should be prepared to immediately begin any remaining due diligence and to complete their review expeditiously.

In accordance with the terms of the SISP, the Receiver is not under any obligation to accept any offer that you may submit or to proceed with Phase 2 of the SISP. The Receiver reserves the right to modify the terms hereof, to request additional information from bidders, to reject any and all bids and to terminate negotiations and discussions at any time and for any reason, without being obliged to give any reasons, with any or all Participating Bidders.

All communications or inquiries regarding this letter or any other matters relating to the SISP should be directed to JLL.

We appreciate your interest and look forward to receiving your LOI. Please contact JLL if you have any questions pertaining to the SISP.

Sincerely,



**Matthew Picken**  
Managing Director  
JLL Capital Markets



**Bryce Gibson**  
Executive Vice President  
JLL Capital Markets



July 17, 2024

**Private & Confidential**

**1 Bloor Street West – SISP Phase 1 – Process Update Letter**

We appreciate your continued interest in exploring the opportunity to submit a Transaction Proposal in connection with the sale and investment solicitation process (the “**SISP**”) in respect of the development project located at 1 Bloor Street West (the “**Project**”). Capitalized terms used in this letter and not otherwise defined have the meaning given to them in the SISP.

As you are aware, Alvarez & Marsal Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Mizrahi Development Group (The One) Inc., Mizrahi Commercial (The One) LP, 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 the Project and the Project itself, including all proceeds thereof (the “**Property**”).

On June 6, 2024, the Court granted the Order (Approval of SISP) approving the SISP in respect of the Property and authorizing and directing the Receiver and Jones Lang LaSalle Real Estate Services, Inc. (“**JLL**”), in its capacity as the Receiver’s real estate broker, to implement the SISP pursuant to the terms thereof.

As contemplated in the SISP, the SISP is designed to solicit interest in the opportunities to submit a Development Proposal or a Transaction Proposal. This process update letter pertains to Transaction Proposals.

**Phase 1 Bid Deadline**

Participating Bidders wishing to pursue an Opportunity in connection with the Project must deliver a non-binding letter of intent (“**LOI**”) by not later than 5:00 pm (Toronto time) on July 30, 2024 (the “**Phase 1 Bid Deadline**”). LOI’s must be submitted in writing and delivered by email to:

**Matthew Picken**  
Managing Director  
JLL Capital Markets  
[Matt.Picken@jll.com](mailto:Matt.Picken@jll.com)

**Bryce Gibson**  
Executive Vice President  
JLL Capital Markets  
[Bryce.Gibson@jll.com](mailto:Bryce.Gibson@jll.com)

**Stephen Ferguson**  
Senior Vice-President  
Alvarez & Marsal Canada Inc.  
[sferguson@alvarezandmarsal.com](mailto:sferguson@alvarezandmarsal.com)

**Josh Nevsky**  
Senior Vice-President  
Alvarez & Marsal Canada Inc.  
[jnevsky@alvarezandmarsal.com](mailto:jnevsky@alvarezandmarsal.com)

**Submission Criteria**

Your LOI must be signed by a senior officer with the authority to submit such an LOI. Your LOI should reflect the best and most attractive basis upon which you would make a binding offer based on the information available to you and should include, in reasonable detail, the following:

1. **Structure:** Specify if you intend to acquire the entire Project, or the Residential Component or the Commercial Component and how you intend to complete the construction and development of the Project.
2. **Consideration:** State the purchase price or investment amount in Canadian dollars, including details of any liabilities to be assumed in the transactions. If you submit an LOI with a range of value, we will assume the low end of that range for purposes of our review.

As set out in the SISP, the purchase price or investment amount for an acquisition of the entire Project must be equal to or greater than the Minimum Bid Threshold of \$1.2 billion. In the case of a Transaction Proposal for either the Residential Component or the Commercial Component on a standalone basis, the purchase price may be below the Minimum Bid Threshold.

3. **Purchaser:** Include a description of the proposed purchaser or purchasers, investor or investors, as the case may be. Please include a detailed description of your 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 you are registered with Tarion Warranty Corporation and the Home Construction Regulatory Authority as a builder and/or vendor. If the Purchaser will be a newly formed entity, please identify the entity or entities that will provide backstops in the form of a guarantee and / or equity commitment letter and describe the nature of such arrangement(s).
4. **Financing:** Your LOI should describe 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.
5. **Approvals:** Please describe the level of review and approval your LOI has received to date by senior officers/directors of your organization, as well as a description of 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.
6. **Stakeholders:** Specify the proposed treatment of key stakeholders in the Project, including Secured Creditors, Unit Purchasers, Suppliers, and others.
7. **Closing Conditions:** Please set out any conditions to closing that you wish to impose or any other terms and conditions that would be required in order to complete the transaction.
8. **Due Diligence:** Please provide a detailed outline of any due diligence requirements that you would require to submit a binding proposal and the timeframe you would require to complete any remaining due diligence.
9. **Other:** Please set out any other factors you believe may be relevant to the Receiver and JLL in evaluating your LOI.

The terms and content of this letter are subject to the terms of the non-disclosure agreement you have entered into with the Receiver. JLL, the Receiver and their respective affiliates and advisors assume no liability or obligation whatsoever to any Participating Bidders in connection with the SISP and the process outlined in this letter, including, but not limited to, as a result of the rejection of any or all of the LOIs, the acceptance of another Participating Bidder's LOI or the termination of the SISP. No party will be entitled for any reason (including, without limitation, any modification of the procedures contemplated herein or in the SISP) to reimbursement for any costs or expenses incurred in reliance upon the procedures set forth in this letter or the SISP, as such procedures may be modified from time to time in accordance with the SISP. JLL and the Receiver reserve the right to amend any information which has been made available to Participating Bidders whether by way of addition, deletion, amendment or otherwise.

Following the Phase 1 Bid Deadline, the Receiver, in consultation with JLL and the Senior Secured Lenders, will evaluate the LOIs received and may select a short list of Participating Bidders who will be invited to proceed to Phase 2 in accordance with the terms of the SISP. Further information will be forwarded to those Participating Bidders who are invited to participate in Phase 2, which will include details on completing due diligence and instructions for submitting a Final Bid. Participating Bidders selected to participate in Phase 2 should be prepared to immediately begin any remaining due diligence and to complete their review expeditiously.

In accordance with the terms of the SISP, the Receiver is not under any obligation to accept any offer that you may submit or to proceed with Phase 2 of the SISP. The Receiver reserves the right to modify the terms hereof, to request additional information from bidders, to reject any and all bids and to terminate negotiations and discussions at any time and for any reason, without being obliged to give any reasons, with any or all Participating Bidders.

All communications or inquiries regarding this letter or any other matters relating to the SISP should be directed to JLL.

We appreciate your interest and look forward to receiving your LOI. Please contact JLL if you have any questions pertaining to the SISP.

Sincerely,



**Matthew Picken**  
Managing Director  
JLL Capital Markets



**Bryce Gibson**  
Executive Vice President  
JLL Capital Markets

## **APPENDIX “D”**



# ALVAREZ & MARSAL CANADA INC.

Access all Engagement updates and court filed materials for all active engagements in which either Alvarez and Marsal Canada Inc. or one of its affiliates is appointed in a court officer role.

## INTRODUCTION

### CONTACT US

[Notice to Creditors](#)[Motion Materials](#)[Court Orders](#)[Receiver's Reports](#)[Service List](#)[FAQs](#)[Sale and Investment Solicitation Process](#)

## INTRODUCTION

**October 11, 2024**

Update on "The One" Sale and Investment Solicitation Process ("**SISP**"). Capitalized terms used below have the meaning given to them in the SISP.

- Pursuant to the SISP Approval Order of the Court granted on June 6, 2024, the Receiver and the Broker have conducted the SISP in accordance with its terms including the SISP milestones established therein.
- The Receiver and the Broker received a number of Qualified LOIs for Development Proposals (for the construction, development and realization of value from the Project). The Receiver and the Broker did not receive any Qualified LOIs in respect of any Transaction Proposals (for an acquisition of, or investment in, the Project at this time).
- Certain Qualified Bidders were advanced into Phase 2 of the SISP. During Phase 2, the Receiver, in consultation with the Broker, worked with the Phase 2 participants to further develop and improve the terms of their respective Development Proposals.
- At this time, the Receiver is continuing to work with the lead Qualified Bidder, in consultation with the Broker and the Senior Secured Lenders, to finalize the terms of a Development Proposal.
- Pursuant to the initial SISP milestones, the Receiver was to seek Court approval of the Successful Bid not later than the week of October 14, 2024, subject to Court availability (the "**Court Approval Milestone**").
- In accordance with the SISP, following consultation with the Broker and with the consent of the Senior Secured Lenders, the Receiver is extending the Court Approval Milestone to allow for further time to finalize the terms of the lead Qualified Bidder's Development Proposal and related definitive transaction documentation, and will provide a further update at the appropriate time.

**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

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

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**SIXTH REPORT OF THE RECEIVER  
ALVAREZ & MARSAL CANADA INC.  
DECEMBER 11, 2024**

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**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