

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

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

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

Applicants

SUPPLEMENTARY FACTUM OF THE RECEIVER AND PROPOSED MONITOR
(Motion for Adjournment by Chateau Yorkville Corp.)

April 21, 2025

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A. Overview

1. Chateau Yorkville Corp. (“CYC”) is a stranger to these proceedings, and the Project.¹ It has never contacted the Receiver, the Senior Secured Lenders or their professional advisors about the Project. It did not participate in the SISP. But it served a motion solely on counsel for the Receiver on the afternoon of April 17, 2025, that seeks to derail an exhaustive Court-approved SISP so that it can try to negotiate some sort of transaction involving the Project.
2. The Receiver respectfully submits that CYC’s motion for an adjournment should be dismissed. The motion and application scheduled to be heard in these proceedings on April 22, 2025 (the “**Approval Hearing**”) should proceed as scheduled.

B. An adjournment would undermine the integrity of the SISP

3. The Tridel Transaction is the culmination of a successful, Court-approved and highly publicized SISP. CYC’s motion is a collateral attack on the SISP, and this Court’s order approving the SISP.
4. The Phase 1 Bid Deadline established under the SISP was July 30, 2024. CYC did not participate in the SISP in any way, nor did it execute an NDA to access any of the available diligence information. It emerged for the first time on April 17, 2025, more than eight months after the Phase 1 Bid Deadline and approximately four months after the Receiver publicly disclosed that Tridel’s bid had been selected as the successful bid under the SISP and outlined its key terms.
5. As discussed in the Joint Report, many interested parties (including Tridel) invested considerable resources to participate in the SISP in accordance with its Court-approved procedures, and the

¹ Capitalized terms not otherwise defined have the meanings ascribed to them in the Sixth Report of the Receiver dated December 11, 2024 and the Joint Eighth Report of the Receiver and Pre-Filing Report of the Proposed Monitor dated April 3, 2025 (the “**Joint Report**”).

Receiver worked diligently to identify the best proposal available in accordance with the terms of the SISP. CYC seeks to simply ignore the SISP and try to negotiate a transaction on its own timeline without regard to the Court's process and prior order. The relief sought by CYC is unfair to the many other parties that actively pursued and invested time and effort in the SISP in accordance with its terms, including the deadlines established thereunder. The integrity of a Court-approved SISP must be respected or parties will not invest time and energy into participating in them.²

6. These reasons alone are sufficient to dispose of CYC's motion, without considering the significant deficiencies in the preliminary, highly conditional and uncertain transaction that CYC wants to negotiate.

C. There is no evidence that CYC is a credible bidder

7. The Project is among the largest and most complex mixed-use developments in Canada. Few entities have the financial resources and expertise required to complete it. There is no evidence – and no reason to believe – that CYC is one of those entities.
8. CYC has not even tried to prove that it is capable of acquiring and completing the Project. There is no evidence that CYC has *any* assets or relevant experience. CYC is unknown to the Receiver, the experienced real estate professionals at JLL, or the Senior Secured Lenders, and has not sought to contact any of these parties since the SISP Approval Order was granted on June 6, 2024. CYC has not sought or received any confidential information about the Project from the Receiver and so it has not (as far as the Receiver knows) conducted any diligence on the Project. Its “proposal”

² See, for example, *Pacific Exploration & Production Corporation (Re)*, [2016 ONSC 5429](#) at paras [11–12](#).

is, not surprisingly, highly conditional, non-binding and subject to further legal review and due diligence.

9. CYC claims to have secured financing, but there is no way to verify whether the financing exists because CYC has redacted the name of its alleged lender. The financing CYC claims to have secured is, in any event, conditional. CYC has not proposed a specific transaction and there is no evidence, or reason to believe, that it is capable of completing any transaction involving the Project.
10. Stripped to its core, CYC's motion rests on a vague hope that a party with no apparent experience and no firm financing can negotiate and close a transaction satisfactory to the Receiver and the Senior Secured Lenders that will be superior to the Tridel Transaction. This is not an appropriate basis upon which to adjourn the Approval Hearing.

D. The transaction imagined by CYC is not a Qualified Bid

11. The \$1.4 billion of financing that CYC claims that it can raise is, in any event, not enough to fund a Transaction Proposal within the meaning of SISP. This amount is nowhere near sufficient to satisfy both the \$1.2 billion minimum bid threshold established under the SISP and the cost of completing the Project. It is also therefore far less than the amount required to provide value to any secured creditors beyond the Senior Secured Lenders.³

³ See Joint Report at para 6.23 [[A59:A57](#)–[A60:A58](#)].

E. CYC's motion is opposed by the Senior Secured Lenders and the Receiver

12. As the Receiver noted in the Joint Report, the Senior Secured Lenders are the sole economic interest holder in recoveries from the Project. CYC's preliminary transaction structure is conditional upon the Senior Secured Lenders' support. The Receiver has therefore consulted the Senior Secured Lenders about CYC's motion, and the requested adjournment. The Senior Secured Lenders have advised the Receiver that they oppose CYC's motion and continue to support approval of the Tridel Transaction.

F. The requested adjournment will harm the Project

13. CYC's "proposal" does not come close to delivering the kind of comprehensive solution for the Project that the Tridel Transaction represents and is ready to provide, as soon as it is approved by the Court. Construction on the Project needs to continue to be funded and advance uninterrupted, as it will under the Tridel Transaction.
14. Approval of the Tridel Transaction is a key step forward for the Project. It is part of a carefully planned transition. As part of that transition, the Receiver has taken steps to terminate its contract with the current construction manager on the Project, SKYGRiD. The Tridel Transaction must be approved in a timely way so that Tridel can assume its role before SKYGRiD's construction management contract ends. Moreover, a number of key Project-related decisions must be made in the near future to avoid schedule delays, and Tridel must be in place to assist with those decisions.

G. The Approval Hearing should proceed as scheduled

15. In summary, the Receiver respectfully submits that there is no reason to delay – and that it would be improper to delay – consideration of the successful Tridel Transaction that has emerged from the Court-approved SISP. The Receiver strongly opposes any adjournment for any amount of time.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 21st day of April, 2025.

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