

Court File No. CV-19-627153-00CL
Estate File No. 31-4588747

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

31 VICTORY DEVELOPMENT INC.

Respondent

MOTION RECORD OF POLLARD & ASSOCIATES INC.
(returnable June 10, 2020)

May 26, 2020

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TAB 1

Court File No. CV-19-627153-00CL
Estate File No. 31-4588747

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

31 VICTORY DEVELOPMENT INC.

Respondent

NOTICE OF MOTION

Pollard & Associates Inc. in its capacity as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of 31 Victory Development Inc. (the “**Debtor**”), appointed as Receiver on January 29, 2020 pursuant to the Order of the Honourable Mr. Justice Penny dated November 5, 2019 (the “**Appointment Order**”) will make a motion to the Commercial List Court at 10:00 a.m. on Wednesday, June 10, 2020, by way of video conference due to the COVID-19 pandemic, or as soon after that time as the motion can be heard by video conference or at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The Motion is to be heard orally.

THE MOTION IS FOR:

1. An Order for (substantially in the forms attached hereto as Schedules “A” and “B”):
 - (a) If necessary, abridging the time for service of this Motion Record, declaring that the motion is properly returnable on this day, and validating service of this Motion Record;
 - (b) Approving the Report of the Receiver to the Court dated May 25, 2020 (the "**Report**"), and the conduct and activities of the Receiver as set out therein;
 - (c) Approving the sales and marketing process undertaken by the Receiver as described in the Report;
 - (d) Authorizing and approving the agreement of purchase and sale by and between the Receiver, as vendor, and Chengyi Wei, in trust for a company to be incorporated, as purchaser (the "**Purchaser**"), dated May 8, 2020 (the "**APS**");
 - (e) Authorizing the Receiver to take such steps as are necessary and appropriate to facilitate the completion of the APS;

- (f) Vesting all of the purchased assets as contemplated by the APS to the Purchaser, or as it may direct in writing;
- (g) Sealing the Confidential Appendices to the Report until such time the sales transaction contemplated by the APS is complete or by Order of this Honourable Court; and,
- (h) Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

The Debtor

1. The Debtor was part of a group of companies known as Forme Development Group which had various properties for redevelopment purposes.
2. Forme Development Group sought CCAA protection which was opposed by certain mortgage holders. The opposition resulted in a bifurcated process with certain of the companies, including the Debtor, remaining outside of the CCAA protection process.

The Appointment Order

3. The Receiver was appointed pursuant to the Appointment Order.
4. The Appointment Order granted the Receiver the power and authority to:
 - (a) Engage consultants, appraisers, agents, and such other persons to assist with the exercise of the Receiver's powers and duties;
 - (b) Market the Real Property and negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (c) Apply for any vesting order and other orders necessary to convey the Real Property; and, among other things,
 - (d) Borrow monies by way of a revolving credit provided that the outstanding principal amount does not exceed \$400,000.

The Real Property

5. The Debtor's principal asset is real property located at 31 Victory Avenue, Markham (the "**Real Property**").
6. The Real Property consists of:

- (a) a single-family dwelling which has been designated as a historical property; and,
- (b) 0.671 acres of land fronting on Victory Avenue, Markham.

7. The Debtor entered into a lease with YIMA Investment Ltd. who in turn entered into a sublease. There is a monetary default for rental arrears under the lease.

Marketing and Sales Process

- 8. The Receiver engaged an appraiser to appraise the Real Property.
- 9. The Receiver engaged the services of Cushman & Wakefield to assist with the marketing and sales process for the Real Property.
- 10. As part of that sales and marketing process:
 - (a) The Real Property was listed on MLS;
 - (b) An advertisement of the sale of the Real Property was placed in Globe and Mail and Novae Res Urbis; and, among other things,
 - (c) A listing of the sale of the Real Property was placed in the Insolvency Insider.

11. The first ranking mortgage holder was consulted and is in agreement with the marketing and sales process undertaken by the Receiver.

The Offers

12. The Receiver received five offers or letters of intent which are summarized in Schedule “L” of the Report.

13. The Receiver ultimately negotiated with the Purchaser and the APS was executed. The Purchaser has delivered the first deposit to the Receiver in accordance with the APS.

The Confidential Appendices

14. The Confidential Appendices consist of:

- (a) The Appraisal of the Real Property at Schedule “D” of the Report;
- (b) The summary of the offers received by the Receiver at Schedule “L” of the Report;
- (c) The unredacted APS at Schedule “M” of the Report.

15. The Confidential Appendices contain sensitive commercial information, the disclosure of which at this time would hinder the Receiver’s ability to re-market and

sell the Real Property in the event that the sales transaction under the APS does not close.

16. The Receiver requests that the Confidential Appendices be sealed until the transaction has closed and/or pending further Order of this Honourable Court.

17. The Appointment Order approved and adopted the E-Service Protocol of the Commercial List.

18. The Receiver is not aware of any opposition to the proposed relief sought herein.

19. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*; and,

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

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

- (a) The Report of the Receiver dated May 25, 2020;
- (b) The Affidavit of Service of Hayley Morgan sworn on **INSERT**;
- (c) Such further documentary evidence as this Honourable Court permits.

May 26, 2020

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

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snassabi@mindengross.com
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Fax: 416-864-9223

Lawyers for the Receiver, Pollard &
Associates Inc.

TO: **THE SERVICE LIST**

B E T W E E N

VECTOR FINANCIAL SERVICES LIMITED
Applicant

-and- 31 VICTORY DEVELOPMENT INC.
Respondent

Court File No. CV-19-627153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

NOTICE OF MOTION

MINDEN GROSS LLP
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Lawyers for the Receiver, Pollard & Associates Inc.

TAB 2

Schedule "A"

Court File No. CV-19-19-627153-00CL

Estate File No. 31-4588747

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	WEDNESDAY, THE 10 TH
)	DAY OF JUNE, 2020
JUSTICE CONWAY)	

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

31 VICTORY DEVELOPMENT INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by Pollard & Associates Inc. in its capacity as receiver and manager (in such capacities, the "**Receiver**"), without security, of the undertaking, property and assets of 31 Victory Development Inc. (the "**Debtor**") for an order, among other things, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Chengyi Wei, in trust for a company to be incorporated (the "**Purchaser**") dated May 8, 2020 and appended to the Report of the Receiver dated May 25, 2020 (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario, via video conference as a result of the COVID-19 pandemic.

ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Hayley Morgan sworn **INSERT** filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, or as it directs in writing, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Penny dated November 5, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division LRO #65, York Region, of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “Real Property”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to electronically file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the 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.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-19-19-627153-00CL

Estate File No. 31-4588747

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

31 VICTORY DEVELOPMENT INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Penny of the Ontario Superior Court of Justice, Commercial List, (the "Court") dated November 5, 2019, Pollard & Associates Inc. was appointed as the receiver and manager (in such capacities, the "Receiver") of the undertaking, property and assets of 31 Victory Development Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated June 10, 2020, the Court approved the agreement of purchase and sale made as of May 8, 2020 (the "Sale Agreement") between the Receiver and Chengyi Wei, in trust for a company to be incorporated (the "Purchaser") and provided for the vesting in the Purchaser, or as it may direct in writing, of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing

as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver by email as a result of the COVID pandemic at _____ [TIME] on _____ [DATE].

POLLARD & ASSOCIATES INC., in its capacity as Receiver and Manager of the undertaking, property and assets of 31 Victory Development Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Purchased Assets

PIN	02953 – 0029 LT
DESCRIPTION	PT E1/2 LT 2 CON 5 MARKHAM AS IN R410839 EXCEPT R438796 (THIRDLY) ; MARKHAM
ADDRESS	31 VICTORY AVENUE, MARKHAM

Schedule C – Claims to be deleted and expunged from title to Real Property

1. Instrument No. YR2526272 registered 2016/08/17;
2. Instrument No. YR2526286 registered 2016/08/17;
3. Instrument No. YR256S687 registered 2016/10/14;
4. Instrument No. YR2696718 registered 2017/06/16;
5. Instrument No. YR2696719 registered 2017/06/16;
6. Instrument No. YR2852665 registered 2018/07/23;
7. Instrument No. YR3054277 registered 2020/01/09;

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Instrument No. YR2742984 registered 2017/10/10;

TAB 3

Schedule "A"

Court File No. ~~_____~~ CV-19-19-627153-00CL

Estate File No. 31-4588747

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) ~~WEEKDAY~~ WEDNESDAY, THE #
) 10TH
JUSTICE ~~_____~~ CONWAY) DAY OF ~~MONTH~~ JUNE, ~~20YR~~ 2020

B E T W E E N:

~~PLAINTIFF~~

~~Plaintiff~~

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

31 VICTORY DEVELOPMENT INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~ Pollard & Associates Inc. in its capacity as ~~the Court appointed~~ receiver ~~(and manager (in such capacities,~~ the "Receiver"), without security, of the undertaking, property and assets of ~~[DEBTOR]~~ 31 Victory Development Inc. (the "Debtor") for an order, among other things, approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement")

between the Receiver and ~~[NAME OF PURCHASER]~~Chengyi Wei, in trust for a company to be incorporated (the "**Purchaser**") dated ~~[DATE]~~May 8, 2020 and appended to the Report of the Receiver dated ~~[DATE]~~May 25, 2020 (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario, via video conference as a result of the COVID-19 pandemic.

ON READING the Report and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~Hayley Morgan sworn ~~[DATE]~~**INSERT** filed¹:

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

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets

¹~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

²~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

described in the Sale Agreement ~~[and listed on Schedule B hereto]~~⁴ shall vest absolutely in the Purchaser, or as it directs in writing, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice [NAME] Penny dated ~~[DATE]~~November 5, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. ~~3.~~ **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver]~~[Land Titles Division of {LOCATION}] LRO #65, York Region, of an Application for Vesting Order in the form prescribed by the *Land Titles Act* ~~and/or the Land Registration Reform Act~~⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

⁴ ~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

⁵ ~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

⁶ ~~Select the language appropriate to the land registry system (Registry vs. Land Titles).~~

5. ~~4.~~ **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. ~~5.~~ **THIS COURT ORDERS AND DIRECTS** the Receiver to electronically file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

~~6. — THIS COURT ORDERS that, pursuant to clause 7(3)(e) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

⁷~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

~~8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

8. ~~9.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the 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.

Schedule A – Form of Receiver’s Certificate

Court File No. ~~_____~~ CV-19-19-627153-00CL

Estate File No. 31-4588747

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

~~PLAINTIFF~~

Plaintiff

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

~~DEFENDANT~~

Defendant

31 VICTORY DEVELOPMENT INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Mr. Justice Penny of the Ontario Superior Court of Justice, Commercial List, (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ November 5, 2019, Pollard & Associates Inc. was appointed as the receiver ~~(and manager (in such capacities,~~ the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ 31 Victory Development Inc. (the "Debtor").

- 2 -

B. Pursuant to an Order of the Court dated ~~[DATE]~~, June 10, 2020, the Court approved the agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~ May 8, 2020 (the "Sale Agreement") between the Receiver ~~[Debtor] and [NAME OF PURCHASER]~~ and Chengyi Wei, in trust for a company to be incorporated (the "Purchaser") and provided for the vesting in the Purchaser, or as it may direct in writing, of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section ● of~~ the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in ~~section ● of~~ the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver by email as a result of the COVID pandemic at _____ [TIME] on _____ [DATE].

~~NAME OF RECEIVER~~ POLLARD & ASSOCIATES INC., in its capacity as Receiver and Manager of the undertaking, property and assets of ~~DEBTOR~~ 31 Victory Development Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Purchased Assets

PIN 02953 – 0029 LT

DESCRIPTION PT E1/2 LT 2 CON 5 MARKHAM AS IN R410839 EXCEPT R438796 (THIRDLY);
MARKHAM

ADDRESS 31 VICTORY AVENUE, MARKHAM

Schedule C – Claims to be deleted and expunged from title to Real Property

1. [Instrument No. YR2526272 registered 2016/08/17;](#)
2. [Instrument No. YR2526286 registered 2016/08/17;](#)
3. [Instrument No. YR256S687 registered 2016/10/14;](#)
4. [Instrument No. YR2696718 registered 2017/06/16;](#)
5. [Instrument No. YR2696719 registered 2017/06/16;](#)
6. [Instrument No. YR2852665 registered 2018/07/23;](#)
7. [Instrument No. YR3054277 registered 2020/01/09;](#)

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. [Instrument No. YR2742984 registered 2017/10/10;](#)

Document comparison by Workshare Compare on Tuesday, May 26, 2020
4:10:45 PM

Input:	
Document 1 ID	PowerDocs://DOCS1/4203396/1
Description	DOCS1-#4203396-v1-Model_Order
Document 2 ID	PowerDocs://DOCS1/4204585/1
Description	DOCS1-#4204585-v1-Approval_and_Vesting_Order
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	77
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Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	145

TAB 4

Schedule "B"

Court File No. CV-19-19-627153-00CL

Estate File No. 31-4588747

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	WEDNESDAY, THE 10 TH
)	DAY OF JUNE, 2020
JUSTICE CONWAY)	

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

31 VICTORY DEVELOPMENT INC.

Respondent

ORDER**(Receiver's Conduct and Sealing)**

THIS MOTION, made by Pollard & Associates Inc. in its capacity as receiver and manager (in such capacities, the "**Receiver**"), without security, of the undertaking, property and assets of 31 Victory Development Inc. (the "**Debtor**") for an order, among other things, approving the Report of the Receiver dated May 25, 2020 (the "**Report**") and sealing the Confidential Appendices, was heard this day at 330 University Avenue, Toronto, Ontario, via video conference as a result of the COVID-19 pandemic.

ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Hayley Morgan sworn **INSERT** filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record 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 the Report and the conduct and activities of the Receiver as described in the Report are hereby approved.
 3. THIS COURT ORDERS that Confidential Appendices “1”, “2”, and “3” to the Report be sealed, kept confidential and not form part of the public record, but rather shall be placed separate and apart from all other contents of the Court file, pending further Order of the Court.
-

TAB 5

Court File No. CV-19-627153-00CL
Estate File No. 31-4588747

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

and

31 VICTORY DEVELOPMENT INC.

Respondent

**FIRST REPORT OF THE COURT APPOINTED RECEIVER OF
31 VICTORY DEVELOPMENT INC. (“First Report”)**

May 25, 2020

INTRODUCTION

1. On January 29, 2020, pursuant to a motion brought by Vector Financial Services Limited, (“**Vector**”), Pollard & Associates Inc., (the “**Receiver**”) was appointed as receiver and manager of 31 Victory Development Inc., (the “**Company**”) by Order of the Honourable Justice Penny dated November 5, 2019 (the “**Appointment Order**”) made pursuant to subsection 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O 1990 c. C.43, as amended (the “**CJA**”). A copy of the Appointment Order is attached to this report as **Schedule “A”**.

2. The Appointment Order appointed the Receiver, without security, over all of the Company’s assets, undertaking and properties acquired for, or used in relation to business carried on by the Company, including all proceeds thereof (the “**Property**”).

3. The Company was part of a group of companies known as the Forme Development Group (“**Forme Group**”). Forme Group had assembled various properties for redevelopment, including, the lands known municipally as 31 Victory Avenue, Markham (the “**Real Property**”) and the adjoining lands known municipally as 186 Old Kennedy Road, and 51 Victory Avenue, Markham (collectively, the “**Old Kennedy Lands**”). Forme Group brought an application for protection from its creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 as amended (“**CCAA**”) in November of 2018. The mortgage holders on several of the Forme Group projects opposed the CCAA filing. This opposition resulted in a bifurcated process whereby only part of the Forme Group was granted CCAA protection. The balance of the group (collectively referred to herein as the “**Non-Applicant Companies**” and, individually, as a “**Non-Applicant Company**”) remain outside of CCAA protection. The Company is a Non-Applicant Company. A copy of the endorsement of the Honourable Justice Hailey in respect of the CCAA Termination Order is attached to this report as **Schedule “B”**.

4. On March 3, 2020, pursuant to a motion brought by Krashnik Investments Limited and Gabel Investments Limited, Pollard & Associates Inc., was also appointed as receiver and manager over the assets, undertaking and properties of 186 Old Kennedy Development Inc. (“**Kennedy**”) by Order dated January 31, 2020, made by the Honourable Justice C.A. Gilmore. The Kennedy assets consist primarily of the Old Kennedy Lands, which adjoin the Real Property.

5. The purpose of this First Report is to update the Court on the Receiver’s actions and activities since its appointment, to outline the sale and marketing process and the outcome of the same, including the entering into by the Receiver of an Agreement of Purchase and Sale for the assets of the Company, subject to Court approval. The Receiver seeks an order from the Court:

- (a) Approving the Receiver’s activities since its appointment as set out in this First Report;
- (b) Approving the sale and marketing process undertaken by the Receiver respecting the assets of the Company;

- (c) Authorizing the completion of the purchase and sale transaction contemplated in the Agreement of Purchase and Sale dated May 8, 2020, (the “**APS**”) for the Property, including the Real Property (hereinafter, the “**Purchased Assets**”), entered into by the Receiver, as vendor, and Chengyi Wei, in trust for a company to be incorporated, as purchaser (the “**Purchaser**”);
 - (d) Vesting the Purchased Assets in the Purchaser or as it may direct; and
 - (e) Sealing:
 - (i) a summary prepared by the Receiver of all offers received for the Property;
 - (ii) the Appraisal of the Real Property prepared by Colliers International (“**Colliers**”) dated April 7, 2020; and
 - (iii) the unredacted APS.
- (collectively, the “**Confidential Appendices**”).

TERMS OF REFERENCE

6. The information contained in this First Report is based on unaudited financial information as well as discussions with representatives of the Company and its advisors. 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 (“**CAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* (“**CPA Canada Handbook**”) and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the information.

7. Future oriented financial information referred to in this First Report was prepared based on discussions with representatives of the Company. Readers are cautioned that since forecasts are based upon assumptions about future events and conditions that are not ascertainable, the

actual results will vary from the forecasts, even if the assumptions materialize, and variations could be significant.

8. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

COMPANY OPERATIONS

9. The Company acquired and assembled underdeveloped real property for the purpose of building medium-destiny residential units. The Company's principal asset is the Real Property.

10. The Real Property currently has a single-family dwelling known as the Alexander McPherson House, which has been designated as an historical property pursuant to the Ontario Heritage Act, R.S.O. 1990, Chapter O.18, Part IV (the "**Heritage Home**").

11. The Real Property consists of .671 acres of land fronting on Victory Avenue, Markham.

12. Prior to the Receivership, the Company had brought forward a site specific zoning by-law amendment and draft plan of subdivision approval application which was submitted to the City of Markham. This application incorporated additional land owned by Kennedy. The application remains under review, having received preliminary feedback in September of 2018. The Real Property falls within the Milliken Main Street Secondary Plan.

LEASES

13. The Company entered into a lease with YIMA Investment Ltd., ("**YIMA**") for the Real Property on or around October 1, 2019, with the tenant having the right to enter into subleases of the leased property. The lease has a termination clause and the annual rent as per the lease is \$27,210 which includes HST and TMI. YIMA entered into a sublease with G. View Landscaping commencing October 1, 2019. A copy of the lease and sublease is attached to this report as **Schedule "C"**.

14. YIMA issued cheques payable to the Company for the rent for the months of February and March of 2020 and the Company forwarded these cheques to the Receiver. The cheques provided to the Receiver were each in the amount of \$2,000. This amount did not match to the

required amount as contemplated in the lease. YIMA requested that the Receiver provide a rent deferment as a result of the hardship caused to its business by the COVID 19 pandemic. The Receiver agreed to a rent deferment on the understanding that certain specified financial documents were to be provided to the Receiver to evidence the purported economic hardship. The requested documents have yet to be provided to the Receiver. In addition YIMA issued a stop payment against both cheques issued to the Company and forwarded to the Receiver. YIMA has not paid any rent to the Receiver since its appointment.

APPRAISAL

15. The Receiver obtained appraisals which had been prepared for the Company commencing in June of 2016. These appraisals were prepared by Cushman & Wakefield (“CW”) in order to provide a current market value of the Real Property based upon its highest and best use.

16. In addition, Colliers International (“**Colliers**”) was engaged by the Company in June of 2019, to appraise the Real Property on “as is basis” for the purpose of the insolvency proceeding for the Forme Group Non-Applicant Companies.

17. The Receiver engaged Colliers to provide an updated appraisal for the Real Property. As noted, Colliers had previously been engaged to provide an appraisal for the Forme Group Non-Applicant Companies and based upon its knowledge of the Real Property the Receiver determined it would be efficient and more cost effective to have Colliers update the appraisal rather than engage a new appraiser.

18. The appraisal provided by Colliers incorporates the value of the adjoining Old Kennedy Lands.

19. The appraisal provided by Colliers sets out the market value of the Real Property as at March 30, 2020.

20. A copy of the Colliers appraisal is attached to this report as **Schedule “D”**. Given the commercial sensitivity of this document, the Receiver requests that this schedule be subject to a sealing order.

INSURANCE

21. Upon its appointment, the Receiver attempted to obtain insurance through its regular insurance broker FCA. FCA advised the Receiver that it would be difficult to obtain insurance given the historical value and significance of the Heritage Home located on the Real Property.

22. Prior to the Receiver's appointment, Vector had obtained insurance for the Real Property. The Receiver was added as a named insured to this existing policy.

23. The Receiver arranged with FCA to obtain commercial general liability coverage in the amount of \$10 million, as per the insolvency program in place.

BANK ACCOUNT

24. The Company provided to the Receiver details in reference to the bank account of the Company held with the Bank of Montreal ("**BMO**"). The Receiver advised BMO of the receivership and requested that the account be frozen and any funds in the account be forwarded to the Receiver.

25. The account manager at BMO has advised the Receiver that the account held by the Company does not have any funds. The Receiver has obtained a summary of the banking transactions in reference to the Company account from February 1, 2020 to March 10, 2020. The Company bank account had very limited transactions from February 1 to March 10, 2020.

PROPERTY TAXES

26. The Receiver contacted the City of Markham and ascertained that the annual property taxes in 2019 for the Real Property were assessed at \$6,815.96. The interim statement issued by the City of Markham as at January 3, 2020, indicates that the property taxes owing by the Company were \$11,033.58. A copy of the interim 2020 tax bill issued by the City of Markham is attached to this report as **Schedule "E"**.

NOTICES

27. The Receiver, upon its appointment, completed from the information available, the requisite BIA Notice of Receiver under subsection 245(1) and the Statement of Receiver under subsection 246(1). A copy of the Notice of Receiver and Statement of Receiver are attached as **Schedule “F”**.

28. The Notice of Receiver pursuant to subsection 245(1), which sets out a list of known creditors and includes a copy of the Appointment Order was emailed or mailed to all of the known creditors of the Company.

29. Counsel for the Receiver registered the Appointment Order on title to the Real Property on February 5, 2020.

RECEIVER’S BORROWING

30. The Appointment Order authorized the Receiver to borrow a total principal sum of \$400,000. The Receiver has borrowed by way of Receiver’s Certificate #1 the sum of \$20,000 from Vector on March 10, 2020, at an annual interest rate of 13%. A copy of Receiver’s Certificate #1 in the amount of \$20,000 is attached to this report as **Schedule “G”**.

MARKETING AND SALES PROCESS

31. As part of the CCAA Application on or around March 18, 2019, the Non-Applicant Companies provided an undertaking to the Court to market the Real Property in an attempt to generate surplus sales proceeds in excess of the existing mortgage indebtedness. All surplus funds would be held in trust and not released without an order of the Court.

32. The Company obtained from Vector an agreement to forbear from appointing a receiver for several months in order to allow the Company time to negotiate various offers to purchase the Real Property.

33. Prior to the appointment of the Receiver, the Company had been attempting to obtain and complete a purchase and sale agreement for the Real Property and, in conjunction with Kennedy, the adjoining Old Kennedy Lands.

34. The Receiver has been advised that a number of parties had expressed an interest in the Real Property and had, in fact, provided offers to purchase to the Company. None of the potential sale transactions were completed prior to the appointment of the Receiver. However, one offer was accepted by the Company with a closing date of April 30, 2020, subject to various conditions.

35. The Receiver advised counsel for this offeror that the offer was unacceptable to the Receiver in its current form and requested that the party resubmit an offer to the Receiver in an acceptable form.

36. Given that the Real Property had already been marketed by the Company with and without the use of brokers over an extended period of months, the Receiver was of the opinion that a short marketing process was appropriate to canvass the market for a commercially reasonable offer for the Real Property either separately or in conjunction with the adjoining Old Kennedy Lands.

37. The Receiver discussed in detail its approach to market the Real Property with Vector and the mortgage holders of the Old Kennedy Lands. The mortgage holders were all in agreement with the approach proposed by the Receiver.

38. The Receiver engaged the services of CW to assist the Receiver with a sale of both the Real Property and the Old Kennedy Lands. Given that the Receiver was aware of various offers which had been presented previously to the Company, the Receiver negotiated a fee structure with CW that provided CW with a flat fee in the event of a sale to a previously interested party or a commission based fee should a new purchaser be brought to the table by CW.

39. The listing agreement with CW was executed by the Receiver on March 16, 2020. The terms of the listing agreement reflect a flat fee being paid to CW in the amount of \$100,000 plus appropriate disbursements and HST for a sale to a previously interested party, or, in the case of a new party, 1.5% commission if CW is the sole agent involved, or 2% commission if another agent is involved in the sale. The listing agreement outlined in detail the previously interested parties in the Real Property. The flat fee is in respect of the sale of the Real Property and the Old Kennedy Lands collectively and not individually.

40. A non-disclosure agreement (“**NDA**”) was prepared for any party wishing to obtain information that the Receiver had in reference to the Property. Information was kept in a data-room established by CW. A copy of the form of NDA is attached to this report as **Schedule “H”**.

41. Counsel for the Receiver prepared a draft form of agreement of purchase and sale to assist a potential purchaser with a form of agreement that would be acceptable to the Receiver.

42. CW prepared a brochure respecting the particulars of the Real Property and its development potential, together with similar information about the Old Kennedy Lands. A copy of the brochure prepared by CW is attached to this report as **Schedule “I”**.

43. The Receiver expressly required any prospective purchaser to submit a separate offer for each of the Real Property and the Old Kennedy Lands.

44. The Receiver provided to CW various reports which were prepared for the Company before the receivership in reference to the potential redevelopment of the Property, including, phase one and phase two environmental assessments, an architectural plan, a legal survey, a noise and vibration impact study, a transportation mobility plan, the Town of Markham Preliminary Report dated September 10, 2018 and a copy of the pro forma APS. These documents were made available to the potential purchasers after execution of the requisite NDA.

45. A total of twenty-seven (27) NDAs were executed and these parties were provided with access to the data-room.

46. CW emailed to fifty (50) prominent developers in the GTA a copy of the brochure. In addition CW representative, Alastair Strachan, personally contacted all of the fifty (50) developers to discuss the project and provide additional information as required.

47. CW developed a list of over one hundred (100) contacts who had recently purchased residential development sites in the GTA. All of these contacts were emailed twice with a copy of the sale brochure and NDA.

48. The brochure was forwarded to the general list of approximately nine hundred (900) prospect contacts of CW.

49. The Real Property was listed on the MLS.
50. CW arranged for advertisement re the sale of the Real Property to be placed in the Globe and Mail report on business section four times - April 21, 23, 28 and 30, 2020. A copy of the advertisement placed in the Globe and Mail is attached to this report as **Schedule “J”**.
51. CW arranged for a full page advertisement to be published in Nova Res Urbis on April 9 and 15, 2020. A copy of the advertisement placed in Nova Res Urbis is attached to this report as **Schedule “K”**.
52. The Receiver also arranged for the listing of the Real Property for sale in the Insolvency Insider, a widely circulated weekly notice to insolvency professionals.
53. The Receiver and CW discussed the timing of receipt of offers and determined that given the extensive previous marketing of the Real Property a tentative offer date of April 30, 2020, would be reasonable and that the Receiver would re-evaluate the timing as may be required.
54. The Receiver, CW and the Receiver’s counsel contacted a number of interested parties and worked with parties to have offers presented to the Receiver. CW generally dealt with parties that had not been part of the group of pre-receivership interested parties while the Receiver and the Receiver’s counsel negotiated with parties who had expressed an interest in the Real Property before the receivership.

Purchase and Sale Agreements

55. The Receiver received five (5) offers or letters of intent for the Real Property. The Receiver reviewed each of these offers in detail with its counsel. A summary of the offers received are outlined in **Schedule “L”** which is attached to this report. Given the commercial sensitivity of this schedule, the Receiver requests that this schedule be subject to a sealing order.
56. The Receiver provided general details of the offers received to Vector, as the first ranking mortgage holder of the Real Property. The Receiver indicated that it was the Receiver’s intention to further negotiate one of the offers presented to the Receiver by the Purchaser and that part of the negotiation was to deal with waiving conditions which were unacceptable to the

Receiver, the timing of the receipt of the deposit, the closing date and the amount being offered for the Property.

57. The Receiver and its counsel continued to discuss the terms of the APS with the prospective purchaser's counsel and upon both parties being in agreement with the final terms of the APS, the APS was executed and the first deposit required under the APS provided to the Receiver in the amount of \$250,000. A copy of the executed APS is attached to this report as **Schedule "M"** with the purchase price having been redacted. Given the commercial sensitivities of this information, the Receiver requests that the non-redacted version of the APS be sealed by order of the Honourable Court.

58. The APS expressly provides that the completion of the purchase and sale transaction contemplated thereunder is conditional and contingent upon the completion of the purchase and sale transaction for the Old Kennedy Lands, which transaction is the subject of a separate agreement of purchase and sale between the Purchaser and the Receiver.

CONCLUSION

59. For the reasons set out in this First Report, the Receiver respectfully requests that this Court:

- (a) Approve all of the actions, conduct and activities of the Receiver as set out in this First Report;
- (b) Approve the sale and marketing process undertaken by the Receiver as described in this First Report;
- (c) Authorize and approve the APS between the Receiver and the Purchaser and authorize the Receiver to take such steps as may be necessary to facilitate the completion of the purchase and sale transaction contemplated in the APS;
- (d) Approve the sale and vesting in the Purchaser, or as it may direct in writing, of all of the Purchased Assets; and

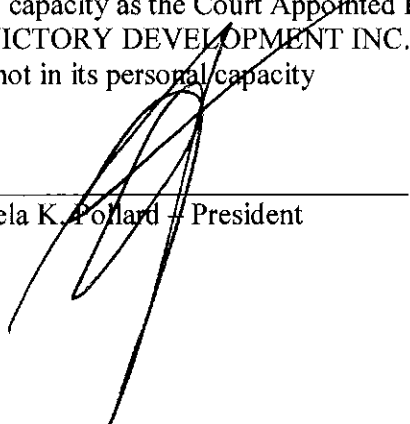
- 12 -

- (e) Seal the Confidential Appendices until the completion of the sale transaction contemplated under the APS or until a further Order of the Court in order to avoid a potential poisoning of the prospective purchaser pool should the proposed purchase transaction fail to close.

All of which is respectively submitted.

Dated May 25, 2020

POLLARD & ASSOCIATES INC.,
in its capacity as the Court Appointed Receiver of
31 VICTORY DEVELOPMENT INC.
and not in its personal capacity
Per:



Angela K. Pollard - President

#4198265 v3 | 4115376

TAB "A"

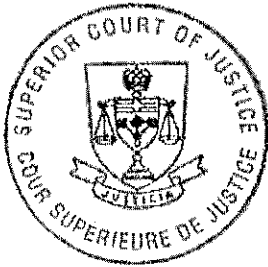
Court File No. CV-19-627153-00CL

ONTARIO
 SUPERIOR COURT OF JUSTICE
 COMMERCIAL LIST

THE HONOURABLE
 JUSTICE

The Honourable)
 Mr. Justice)
 Penny)

TUESDAY, THE 5TH
 DAY OF NOVEMBER, 2019



VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

31 VICTORY DEVELOPMENT INC.

Respondent

ORDER
 (appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Pollard & Associates Inc. ("Pollard") as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 31 Victory Development Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Mitchell Oelbaum sworn September 4, 2019 and the Exhibits thereto, the First Supplementary Affidavit of Mitchell Oelbaum sworn October 4, 2019 (the "Oelbaum October 4 Affidavit") and the Exhibits thereto, the Affidavit of Yuan Hua (Mike) Wang sworn October 7, 2019 and the Exhibits thereto, the Supplementary Affidavit of Yuan Hua (Mike) Wang sworn October 15, 2019 and the Exhibits thereto, and the further Supplementary Affidavit of Yuan Hua (Mike) Wang sworn October 15, 2019 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, counsel for the Debtor, those other parties listed on the counsel slip, no one else appearing for

- 2 -

any other party although duly served as appears from the affidavits of service of Katherine Yurkovich sworn October 7, 2019 and on reading the consent of Pollard to act as the Receiver,

SERVICE:

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

EFFECTIVE DATE OF RELIEF:

2. THIS COURT ORDERS subject to Paragraph 3 of this Order, Paragraphs 4 through 33 of this Order, shall not take effect and shall be suspended until, and only be effective after, 5:00 pm on January 29, 2020, or upon further Order of this Court.

3. THIS COURT ORDERS that Paragraphs 4 through 33 of this Order, shall be of no force and effect, if at any time before 5:00 pm on January 29, 2020, the Applicant files with the Court a certificate of payment substantially in the form included as Schedule "A" to this Order, certifying payment in full by the Debtor to the Applicant of all indebtedness owed by the Debtor to the Applicant.

APPOINTMENT

4. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Pollard is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor and all proceeds thereof (collectively, the "Property"), including but not limited to the lands and premises listed in Schedule "B" hereto (the "Real Property").

RECEIVER'S POWERS

5. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

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- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- 4 -

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to the extent that the Receiver believes it to be in the best interests of the stakeholders of the Debtor (solely, in their capacity as stakeholders of the Debtor), to market any or all of the Real Property with the lands and premises municipally known as 186 Old Kennedy Road, Markham, Ontario and 51 Victory Avenue, Markham, Ontario (collectively, the "**Companion Lands**"), provided that any such marketing is done with the consent of the owner of the Companion Lands or any receiver and / or manager appointed over the Companion Lands, including advertising and soliciting offers in respect of a joint sale of the Real Property and the Companion Lands together and negotiating such terms and conditions of sale as the Receiver in its discretion may deem to be in the best interests of the stakeholders of the Debtor (solely, in their capacity as stakeholders of the Debtor) provided that the Receiver may proceed with a sale of the Real Property alone if it deems that this is preferable;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$50,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act*, or section 31 of the *Ontario Mortgages Act*, as the case may be, shall not be required.
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- 5 -

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property including as against the Real Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

6. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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7. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

9. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

10. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

11. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

13. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

14. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names,

provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

15. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

16. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

17. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or 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 of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall

return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

19. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

22. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$400,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "C" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

26. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

27. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <http://www.pollardandassociates.ca/engagements/31victory>

28. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

29. THIS COURT ORDERS that the Receiver is hereby authorized and empowered, but not obligated, to cause the Debtor to make an assignment in bankruptcy and nothing in this Order shall prevent the Receiver from acting as trustee in the Debtor's bankruptcy.

30. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

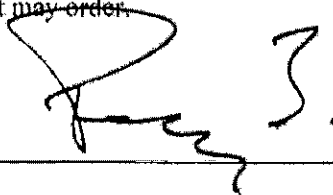
31. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the 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.

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

33. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in black ink, appearing to be "R. J.", written above a horizontal line.

ENTERED AT : INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 05 2019

PER / PAR:

A handwritten signature in black ink, appearing to be "R. J.", written next to the text "PER / PAR:".

SCHEDULE "A"

Court File No. CV- 17-583627-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

APPLICANT

- and -

31 VICTORY DEVELOPMENT INC.

RESPONDENT

CERTIFICATE OF PAYMENT

RECITALS

A. Pursuant to an Order (the "**Appointment Order**") of the Ontario Superior Court of Justice [Commercial List] (the "**Court**") Pollard & Associates Inc. (the "**Receiver**") was appointed as Receiver, without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by 31 Victory Development Inc. (the "**Debtor**"), and all proceeds of the foregoing (the "**Appointment**"), but such Appointment is not to take effect and is suspended until, and is only to be effective after, 5:00 pm on January 29, 2020.

B. Pursuant to the Appointment Order, the Appointment, and certain other relief provided for in the Appointment Order, shall be of no force and effect if Vector Financial Services Limited (the "**Applicant**") before 5:00 pm on January 29, 2020, files with the Court, a Certificate of Payment certifying payment in full by the Debtor to the Applicant of all indebtedness owed by the Debtor to the Applicant.

THE APPLICANT CERTIFIES the following:

1. The Indebtedness has been paid in full by the Debtor to the Applicant; and
2. This Certificate was delivered by the Applicant at _____ [TIME] on _____ [DATE].

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VECTOR FINANCIAL SERVICES LIMITED

Per: _____

Name:

Title:

SCHEDULE "B"**DESCRIPTION OF REAL PROPERTY**

The lands and premises municipally known as 31 Victory Avenue, Markham, Ontario and legally described as:

- **PIN 02953-0029 (LT): PT E1/2 LT 2 CON 5 MARKHAM AS IN R410839 EXCEPT R43876 (THIRDLY); MARKHAM**

SCHEDULE "C"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Pollard & Associates Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties 31 Victory Development Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 9th day of October, 2019 (the "**Order**") made in an action having Court file number -CL- , has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

Pollard & Associates Inc., solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____
Name:
Title:

Court File No. CV-19-627153-00CL

VECTOR FINANCIAL SERVICES LIMITED

- and -

31 VICTORY DEVELOPMENT INC.

Applicants

Respondent

APPLICATION UNDER section 243(1) 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

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

RECEIVERSHIP ORDER

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Thomas Gertner (LSO# 67756S)

Tel: 416-369-4618
thomas.gertner@gowlingwlg.com

Solicitors for the Applicant

TAB "B"

COUNSEL SLIP

COURT FILE NO CV-18-608313-00CL

DATE NOV 22, 2018

NO ON LIST 8

FORME DEVELOPMENT GROUP INC.

TITLE OF PROCEEDING

COUNSEL FOR:
PLAINTIFF(S)
APPLICANT(S)
PETITIONER(S)

MARCO Forte for the Applicant Forme Inc.

PHONE & FAX NOS
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F. 11 11 3870

Sean Zupig for the Proposed Trust
and Proposed Monitor

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F: 4-85-1316
E: sean.zupig@jones.com
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COUNSEL FOR:
DEFENDANT(S)
RESPONDENT(S)

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vs Party Building Corp.

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Dom Michaud for 2568864 Ontario Inc.
Jonathan Preece and various other second mortgages

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(OVER)

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for Matthew Castelli

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George Berchert
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Valerie Calvano
for Trisura Insurance

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E - kcalvano@big.com

YAN WANG

for Canada Access Capital

Tel - 416.601.6814
Fax - 416.947.0909

Steve Weiss
for All Season Recycle Inc.
and Sasikala
Sithamparapillai

T. 416.304.6522
F. 416.362.8410
E - sweisz2@bt2law.ca

November 22/18

My endorsement is attached.

I have hearing scheduled
for December 6/18

Valerie J

December 6
November 22, 2018

The interim stay of proceedings in these proceedings granted on November 6, 2018, as extended on November 8, 2018 and November 16, 2018, and continued to today, November 22, 2018, is further extended to ~~November 27~~, 2018.

The stay of proceedings is lifted and the CCAA proceedings are terminated with respect to all property, assets and undertaking of the following Applicants, and any guarantors of those Applicants; provided that the stay of proceedings with respect to any guarantees provided by any Applicants that are not listed below remains in place:

186 Old Kennedy Development Inc.

76 Old Kennedy Development Inc.

82 Old Kennedy Development Inc.

4550 Steeles Development Inc.

19 Turff Development Inc.

35 Thelma Development Inc.

22 Old Kennedy Development Inc.

31 Victory Development Inc.

Hainey J

TAB "C"

313



Agreement to Lease Commercial - Short Form

Form 511

for use in the Province of Ontario



This Agreement to Lease (Agreement) dated this 27 day of September 2019

TENANT: YiMA Investment Ltd.
(Full legal names of all tenants)

LANDLORD: 31 Victory Development Inc.
(Full legal names of all landlords)

The Tenant hereby offers to lease from the Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement. For the purposes of this Agreement to Lease "Tenant" includes lessee and "Landlord" includes lessor.

1. **PREMISES:** The "Premises" consisting of approximately square (feet/metres) more or less on the floor of the "Building" known municipally as 31 Victory Avenue in the City of Markham, Province of Ontario, as shown outlined on the plan attached as Schedule "A".

2. **USE:** The Premises shall be used only for commercial

3. **TERM OF LEASE:** The Lease shall be for a term of 2 years 0 months commencing on the 1st day of October 2019, and terminating on the 30th day of September 2021

4. **RENTAL:** At a rental of \$ 27,120.00 per annum, payable \$ 2,000.00 monthly in advance, on the 1st day of each month during the said term, plus HST.

5. **DEPOSIT AND PREPAID RENT:** The Tenant delivers Upon acceptance
(Herewith/Upon acceptance/as otherwise described in this Agreement)

by negotiable cheque payable to the Landlord "Deposit Holder"

In the amount of Four Thousand Five Hundred Twenty

Canadian dollars (Can\$ 4,520.00) to be deposited and held in trust as security for the faithful performance by the Tenant of all terms, covenants and conditions of the Agreement and after the earlier of occupancy by the tenant or execution of the Lease to be applied by the

Landlord against the first and last month's rent and HST. If the Agreement is not accepted, the deposit is to be returned to the Tenant without interest or deduction. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Tenant is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

INITIALS OF TENANTS:

INITIALS OF LANDLORD(S):

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6. ADDITIONAL TERMS

The Rental includes TMI. The Tenant shall have gross rent free for the first three (3) months. The Tenant shall have the right to sublease the Premises. The Tenant shall pay all utilities. The Tenant shall have an option to renew the lease for One (1) year upon not less than six (6) months written notice to the Landlord. The rental during the renewal period shall be the then fair market rent.

7. SCHEDULES: The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of: Schedule(s)

Continued from 6. Additional Terms:

Either the Landlord or the Tenant shall have the right to terminate the Lease after one year of signing this Lease by giving to the other party a written notice at least three (3) months prior to the termination date.

8. IRREVOCABILITY: This offer shall be irrevocable by Tenant until 11:30 p.m. on the 30th (Landlord/Tenant) (a.m./p.m.)

day of September, 2019 after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.

It is further understood that all representations by the Landlord or any of the Landlord's representatives are set out in this Agreement.

9. NOTICES: The Landlord hereby appoints the Listing Brokerage as agent for the Landlord for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Tenant's Brokerage) has entered into a representation agreement with the Tenant, the Tenant hereby appoints the Tenant's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Landlord and the Tenant (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Tenant or the Landlord for the purpose of giving and receiving notices. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: [Redacted] (For delivery of Documents to Landlord)

FAX No.: (For delivery of Documents to Tenant)

Email Address: (For delivery of Documents to Landlord)

Email Address: (For delivery of Documents to Tenant)

10. EXECUTION OF LEASE: The Lease shall be prepared by the Landlord at the Landlord's expense, in accordance with the terms and conditions of this Agreement subject to minor adjustments. The Lease will be signed and executed by both parties hereto prior to the commencement of work on the premises by either party and prior to occupancy by the Tenant.

11. AGREEMENT IN WRITING: If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Landlord and Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.

12. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE: The parties acknowledge that any information provided by the broker is not legal, accounting, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

13. BINDING AGREEMENT: This Agreement and the acceptance thereof shall constitute a binding agreement by the parties to enter into the Lease of the Premises and to abide by the terms and conditions herein contained.

INITIALS OF TENANTS: [Handwritten initials]

INITIALS OF LANDLORD(S): [Handwritten initials]

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14. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

YIMa Investment Ltd.

(Witness) (Tenant/Authorized Signing Officer) (Seal) (Date) September 27, 2019
(Witness) (Tenant/Authorized Signing Officer) (Seal) (Date)
(Witness) (Guarantor) (Seal) (Date)

We/I the Landlord hereby accept the above offer, and agree that the commission together with applicable Harmonized Sales Tax (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

31 Victory Development Inc.

(Witness) (Landlord/Authorized Signing Officer) (Seal) (Date) September 27, 2019
(Witness) (Landlord/Authorized Signing Officer) (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 6:30 p.m. this 27 day of Sep, 2019.

(Signature of Landlord or Tenant)

INFORMATION ON BROKERAGE (\$)
Listing Brokerage (Tel. No.)
(Salesperson/Broker/Broker of Record Name)
Co-op/Tenant Brokerage (Tel. No.)
(Salesperson/Broker/Broker of Record Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

(Landlord) (Date) Sep 27, 2019
(Landlord) (Date)
Address for Service (Tel. No.)
Landlord's Lawyer
Address
Email
(Tel. No.) (Fax. No.)

(Tenant) (Date) Sep 27, 2019
(Tenant) (Date)
Address for Service (Tel. No.)
Tenant's Lawyer
Address
Email
(Tel. No.) (Fax. No.)

FOR OFFICE USE ONLY COMMISSION TRUST AGREEMENT
To: Co-operating Brokerage shown on the foregoing Agreement to Lease:
In consideration for the Co-operating Brokerage procuring the foregoing Agreement to Lease, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.
DATED as of the date and time of the acceptance of the foregoing Agreement to Lease. Acknowledged by:
(Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

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Amendment to Agreement to Lease Commercial



Form 513
for use in the Province of Ontario

COMMERCIAL NETWORK

BETWEEN: YIMA Investment Ltd.
TENANT:
AND
LANDLORD: 31 Victory Development Inc.

RE: Agreement to Lease (Agreement) between the Landlord and Tenant, dated the 27th day of September, 2019,
concerning the premises known as 31 Victory Avenue, City of Markham
.....as more particularly described in the aforementioned Agreement.

The Tenant and Landlord herein agree to the following Amendments to the aforementioned Agreement:

Delete:

The Lease shall be for a term of 2 years 0 months commencing on the 1st day of October, 2019, and terminating on the 30th day of September, 2021.

The Tenant shall have an option to renew the lease for One (1) year upon not less than six (6) months written notice to the Landlord.

Insert:

The Lease shall be for a term of 5 years 0 months commencing on the 1st day of October, 2019, and terminating on the 30th day of September, 2024.

The Tenant shall have an option to renew the lease for Five (5) years upon not less than six (6) months written notice to the Landlord.

INITIALS OF TENANT(S):

INITIALS OF LANDLORD(S):

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IRREVOCABILITY: This Offer to Amend the Agreement shall be irrevocable by Tenant until 6:00 p.m. on the 11th day of November, 2019, after which time, if not accepted, this Offer to Amend the Agreement shall be null and void.

For the purposes of this Amendment to Agreement, "Tenant" includes lessee and "Landlord" includes lessor. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Landlord and Tenant or by their respective solicitors who are hereby expressly appointed in this regard.

All other Terms and Conditions in the aforementioned Agreement to remain the same.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) [Signature] (Tenant/Landlord/Authorized Signing Officer) (Seal) 2019-11-10 (Date)
(Witness) [Signature] (Tenant/Landlord/Authorized Signing Officer) (Seal) (Date)

I, the Undersigned, agree to the above Offer to Amend the Agreement.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) [Signature] (Tenant/Landlord/Authorized Signing Officer) (Seal) 2019-11-10 (Date)
(Witness) [Signature] (Tenant/Landlord/Authorized Signing Officer) (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Amendment to Agreement with all changes both typed and written was finally accepted by all parties at 5PM this 10th day of Nov, 2019.

[Signature] (Signature of Landlord or Tenant)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Agent to forward a copy to my lawyer.

[Signature] (Landlord) (Date) NOV. 10. 2019
[Signature] (Landlord) (Date)
Address for Service.....
[Tel. No.]
Landlord's Lawyer.....
Address.....
Email.....
[Tel. No.] [Fax No.]

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Agent to forward a copy to my lawyer.

[Signature] (Tenant) (Date) NOV. 10. 2019
[Signature] (Tenant) (Date)
Address for Service.....
[Tel. No.]
Tenant's Lawyer.....
Address.....
Email.....
[Tel. No.] [Fax No.]

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Agreement to Sub-Lease Commercial

Form 515
for use in the Province of Ontario



This Agreement to Sub-Lease (Agreement) dated this 30 day of September 2019

SUB-TENANT: G View Landscaping
(Full legal names of all Sub-Tenants)

SUB-LANDLORD: YIMA Investment Ltd.
(Full legal name of Sub-Landlord)

The Sub-Tenant hereby offers to sub-lease from the Sub-Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement.

For the purposes of this Agreement to Sub-Lease "Sub-Tenant" includes sub-lessee and "Sub-Landlord" includes sub-lessor.

1. PREMISES: The "Premises" consisting of approximately square more or less on the floor of the "Building" known municipally as 31 Victory Avenue in the City of Markham, Province of Ontario, as shown outlined on the plan attached as Schedule " ."

2. USE: The Premises shall be used only for landscaping

3. TERM OF SUB-LEASE:

(a) The Sub-Lease shall be for a term of twenty four (24) months commencing on the 1st day of October, 2019, and terminating on the 30th day of September, 2021

(b) Provided the Sub-Tenant is not at any time in default of any covenants within the Sub-Lease, the Sub-Tenant shall be entitled to renew this Sub-Lease for one additional term(s) of 12 months (each) on written notice to the Sub-Landlord given not less than six months prior to the expiry of the current term at a rental rate to be negotiated. In the event the Sub-Landlord and Sub-Tenant can not agree on the fixed minimum rent at least two months prior to expiry of the current Sub-Lease, the fixed minimum rent for the renewal period shall be determined by arbitration in accordance with the Arbitration Act or any successor or replacement act.

4. RENTAL: Fixed minimum rent: The fixed minimum rent payable by the Sub-Tenant for each complete twelve-month period during the Sub-Lease term shall be:

From <u>19/10/01</u> to <u>20/09/30</u> inclusive, \$ <u>30,000</u> per annum being \$ <u>2,500</u> per month, based upon \$ <u> </u> per sq. <u> </u> (foot/metre)
From <u>20/10/01</u> to <u>21/09/30</u> inclusive, \$ <u>30,000</u> per annum being \$ <u>2,500</u> per month, based upon \$ <u> </u> per sq. <u> </u> (foot/metre)
From <u> </u> to <u> </u> inclusive, \$ <u> </u> per annum being \$ <u> </u> per month, based upon \$ <u> </u> per sq. <u> </u> (foot/metre)
From <u> </u> to <u> </u> inclusive, \$ <u> </u> per annum being \$ <u> </u> per month, based upon \$ <u> </u> per sq. <u> </u> (foot/metre)
From <u> </u> to <u> </u> inclusive, \$ <u> </u> per annum being \$ <u> </u> per month, based upon \$ <u> </u> per sq. <u> </u> (foot/metre)

INITIALS OF SUB-TENANT(S): SAHYUZ

INITIALS OF SUB-LANDLORD(S): [Signature]

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plus HST, and other tax (other than income tax) imposed on the Sub-Landlord or the Sub-Tenant with respect to rent payable by the Sub-Tenant, payable on: **(Check one box only)**

- the.....day of each month commencing.....
- the.....day of the first month immediately following completion of the Sub-Landlord's Work.

The fixed minimum rent shall be adjusted if the actual measurements of the Sub-Leased Premises differ from the approximate area. The actual measurement shall be agreed upon and failing agreement, calculated by an Ontario Land Surveyor/Architect using the current Building Owners And Managers Association standard form of measurement and shall be binding on both parties.

5. DEPOSIT AND PREPAID RENT:

The Sub-Tenant delivers Herewith.....
(Herewith/Upon acceptance/as otherwise described in this Agreement)

by negotiable cheque payable to Sub Landlord..... "Deposit Holder"

in the amount of Five Thousand Six Hundred Fifty.....

Canadian dollars (Can\$ 5,650.00.....) to be deposited and held in trust as security for the faithful performance by the Sub-Tenant of all terms, covenants and conditions of the Agreement and after the earlier of occupancy by the Sub-Tenant or execution of the Sub-Lease to be applied

by the Sub-Landlord against the first..... and last..... month's rent and HST. If the Agreement is not accepted, the deposit is to be returned to the Sub-Tenant without interest or deduction. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Sub-Tenant is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

6. SERVICES: (Check one box only)

- The Sub-Tenant shall pay the cost of hydro, gas, water, heating, air-conditioning and for all other services and utilities as may be provided to the premises. The Sub-Tenant shall arrange with the local authority for connection of gas, electricity and water in the name of the Sub-Tenant.
- The Sub-Landlord shall pay the cost of hydro, gas, water, heating, air-conditioning and for all other services and utilities as may be provided to the premises.

7. ADDITIONAL RENT AND CHARGES:

Check this box if Additional Rent as described below to be paid by Sub-Tenant

The Sub-Tenant shall additionally pay a proportionate share of all costs and expenses incurred by the Head Landlord in maintaining, operating, cleaning, insuring and repairing the property and, without limiting the generality of the foregoing, such costs and expenses shall include the costs of:

- (i) snow, garbage, and trash removal;
- (ii) landscaping and planters;
- (iii) heating, ventilating and air-conditioning, and providing hot and cold water and other utilities and services to, and operating the common areas of the property, and maintaining and repairing the machinery and equipment for such utilities and services;
- (iv) the realty taxes, assessments, rates, charges and duties levied or assessed against the property (save any tax on the personal income of the Head Landlord);
- (v) insuring the property and such other insurance as the Head Landlord will effect against public liability, property damage, loss of rental income and other casualties and risks.

(vi)

INITIALS OF SUB-TENANT(S): SH/Ya

INITIALS OF SUB-LANDLORD(S): EB

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8. **SCHEDULES:** The Schedules attached hereto shall form an integral part of this Agreement to Sub-Lease and consist of: Schedule(s).....
A, B

9. **HEAD LEASE:** The Sub-Tenant's interest in the Premises is by virtue of a lease (the "Head Lease") between:

31 Victory Development Inc. and YiMA Investment Ltd.

Dated: September 27, 2019, a copy of which is attached hereto as Schedule(s) B.....
The Sub-Lease described herein is to be subject to and in accordance with the terms of the Head Lease, except for any terms and conditions of the Sub-Lease that are in direct contradiction to any term of the Head Lease, in which case the terms and conditions within the Sub-Lease Agreement between Sub-Landlord and Sub-Tenant will apply. Subject to this provision, both the Sub-Landlord and the Sub-Tenant agree to fully comply with the terms and conditions of the Head Lease and the Sub-Lease.

10. **APPROVAL OF HEAD LEASE BY SUB-TENANT:** The Sub-Tenant shall have until no later than 11:30 p.m. on the 30th day of September, 2019, to approve the Head Lease. If the Head Lease is not satisfactory to the Sub-Tenant, at the sole and absolute discretion of the Sub-Tenant, the Sub-Tenant may terminate this Agreement by notice in writing delivered to the Sub-Landlord prior to the expiry of the time period stated above and the deposit shall be returned to the Sub-Tenant in full without deduction.

11. **APPROVAL OF SUB-TENANT BY HEAD LANDLORD:** This Offer to Sub-Lease is conditional upon the approval of the Sub-Tenant by the Head Landlord. Unless the Sub-Landlord gives notice in writing delivered to the Sub-Tenant or to the Sub-Tenant's address as hereinafter indicated not later than 11:30 p.m. on the 30th day of September, 2019, that this condition is fulfilled, this offer shall be null and void and the deposit shall be returned to the Sub-Tenant in full without deduction.

12. **IRREVOCABILITY:** This offer shall be irrevocable by Sub-Tenant until 11:30 p.m. on the 30th day of September, 2019, after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Sub-Tenant without interest or deduction.

13. **NOTICES:** The Sub-Landlord hereby appoints the Listing Brokerage as agent for the Sub-Landlord for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Sub-Tenant's Brokerage) has entered into a representation agreement with the Sub-Tenant, the Sub-Tenant hereby appoints the Sub-Tenant's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Sub-Landlord and the Sub-Tenant (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Sub-Tenant or the Sub-Landlord for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.:
(For delivery of Documents to Sub-Landlord)

FAX No.:
(For delivery of Documents to Sub-Tenant)

Email Address:
(For delivery of Documents to Sub-Landlord)

Email Address:
(For delivery of Documents to Sub-Tenant)

14. **SUB-LANDLORD'S AND SUB-TENANT'S WORK:** The Sub-Landlord agrees to complete the work described as the "Sub-Landlord's Work" in Schedule "....." attached hereto. The Sub-Tenant agrees to complete any additional work necessary to prepare the Premises for the Sub-Tenant's use, described as "Sub-Tenant's Work" in Schedule "....." attached hereto. The Sub-Tenant shall not proceed with any work within or affecting the Premises without the Sub-Landlord's and Head Landlord's prior written approval.

INITIALS OF SUB-TENANT(S): SHI YU L

INITIALS OF SUB-LANDLORD(S): [Signature]

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- 15. SIGNAGE:** The Sub-Tenant may, at its own expense, erect signage in a good and workmanlike manner, subject to municipal by-laws and government regulations and subject to the Sub-Landlord's and Head Landlord's written approval as to the design, colour, and content of any such signs, and to be located as follows: N/A

- 16. INSURANCE:** The Sub-Tenant agrees to insure the property and operations of the Sub-Tenant, including insurance for fire and such additional perils as are normally insured against, liability insurance and any other insurance as may be reasonably required by the Sub-Landlord and Head Landlord.
- 17. EXECUTION OF SUB-LEASE:** The Sub-Lease shall be prepared by the Sub-Landlord at the Sub-Landlord's expense, in accordance with the terms and conditions of this Agreement. The Sub-Lease will be signed and executed by both parties hereto prior to the commencement of work on the premises by either party and prior to occupancy by the Sub-Tenant.
- 18. OCCUPANCY OR RENT TO ABATE:** In the event the premises are not completed by the Sub-Landlord for occupancy by the Sub-Tenant on the date set out herein for commencement of the Term of the Sub-Lease, the rent under this Agreement shall abate to the extent of such delay, and the Sub-Tenant hereby agrees to accept such abatement of rent in full settlement of all claims which the Sub-Tenant might otherwise make because the Premises were not ready for occupancy by the said date.
- 19. ASSIGNMENT:** This Agreement to Sub-Lease shall not be assignable or otherwise transferable by the Sub-Tenant. The Sub-Tenant may not sublet or assign or transfer its interest in the Sub-Lease contemplated herein without securing the written consent from the Sub-Landlord, which consent shall not be unreasonably withheld, provided however, if the consent is granted, the Sub-Tenant shall remain liable for all obligations under the Sub-Lease. Any assignment or transfer of the Sub-Lease by the Sub-Tenant is to be subject to and in accordance with the terms and conditions of the Head Lease.

If the Sub-Tenant is a corporation, the transfer of the majority of the issued shares in the capital stock, or any transfer, issuance or division of shares of the corporation sufficient to transfer control of the corporation shall be deemed for all purposes to be an assignment within the meaning of this Agreement and any Sub-Lease. This provision shall not apply to a corporation whose shares are listed and traded on any recognized public stock exchange in Canada or the United States.

- 20. PARKING:** Unless otherwise stipulated, parking, if applicable, shall be in common and unreserved.

- 21. AGREEMENT IN WRITING:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Sub-Landlord and Sub-Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.
- 22. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the broker is not legal, accounting, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 23. BINDING AGREEMENT:** This Agreement and the acceptance thereof shall constitute a binding agreement by the parties to enter into the Sub-Lease of the Premises and to abide by the terms and conditions herein contained.

INITIALS OF SUB-TENANT(S):

SH/YC

INITIALS OF SUB-LANDLORD(S):



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24. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein. SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

G View Landscaping
SHI YU JEN
September 30, 2019
(Witness) (Sub-tenant/Authorized Signing Officer) (Seal) (Date)

We/I the Sub-Landlord hereby accept the above offer, and agree that the commission together with applicable Harmonized Sales Tax (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
YIMA Investment Ltd.
September 30, 2019
(Witness) (Sub-Landlord/Authorized Signing Officer) (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 6:30 p.m. this 30 day of Sep, 2019.
(Signature of Sub-Landlord or Sub-Tenant)

INFORMATION ON BROKERAGE(S)
Listing Brokerage (Tel.No.)
(Salesperson/Broker/Broker of Record Name)
Co-op/Sub-Tenant Brokerage (Tel.No.)
(Salesperson/Broker/Broker of Record Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement to Sub-Lease and I authorize the Brokerage to forward a copy to my lawyer.
2019.09.30 SHI YU JEN 2019.9.30
(Sub-Landlord) (Date) (Sub-Tenant) (Date)
Address for Service (Tel. No.)
Sub-Landlord's Lawyer (Tel. No.)
Address (Tel. No.)
Email (Tel. No.) (Fax. No.)

FOR OFFICE USE ONLY COMMISSION TRUST AGREEMENT
To: Co-operating Brokerage shown on the foregoing Agreement to Sub-Lease:
In consideration for the Co-operating Brokerage procuring the foregoing Agreement to Sub-Lease, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.
DATED as of the date and time of the acceptance of the foregoing Agreement to Sub-Lease. Acknowledged by:
(Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

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Form 516
for use in the Province of Ontario

Schedule A
Agreement to Sub-Lease - Commercial



This Schedule is attached to and forms part of the Agreement to Sub-Lease between:

SUB-TENANT: G View Landscaping....., and

SUB-LANDLORD: YIMA Investment Ltd......

for the sub-lease of 31 Victory Avenue..... Markham.....

..... dated the 30..... day of September....., 2019.....

Either the Landlord or the Tenant shall have the right to terminate the Lease after one year of signing this Lease by giving to the other party a written notice at least three (3) months prior to the termination date.

This form must be initialed by all parties to the Agreement to Sub-Lease.

INITIALS OF SUB-TENANT(S):

SH/Y

INITIALS OF SUB-LANDLORD(S):

[Handwritten initials]

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TAB "D"

**Colliers Appraisal
(Filed Separately)**

TAB "E"



CITY OF MARKHAM

ANTHONY ROMAN CENTRE
101 TOWN CENTRE BOULEVARD
MARKHAM, ONTARIO L3R 9W3
TAX INQUIRIES: 905-477-5530
FAX: 905-415-7544

TAX BILL

Interim 2020

Billing Date: Jan 3, 2020

Customer No: Y37DGFS2

012055
31 VICTORY DEVELOPMENT INC
206-7100 WOODBINE AVE
MARKHAM ON L3R 5J2

Roll No: 36 02 0 126 20000 00000 09
Location: 31 VICTORY AVE
Legal Dscr: CON 5 PT LT2

Prior Year Tax Class	Assessment	Prior Year Tax Rate (%)	Prior Year Annualized Tax Levy
RT	1,033,000	0.659822	6,815.96
Total	\$ 1,033,000		\$ 6,815.96
			Prior Year Annualized Tax Levy
			Prior Year Annualized Taxes
			\$ 6,815.96

Account Summary (As of Jan 3, 2020)

Overdue	7,626.58
Future Due	3,407.00
Account Balance	\$ 11,033.58

Summary

Interim Levy (50%)	\$ 3,407.00
Plus Overdue	7,626.58
Total Amount Due	\$ 11,033.58

If you have an outstanding balance on your account, it will be included on the first instalment amount. Penalty of 1.00% on the unpaid amount of an instalment will be added if payment is not received by the instalment date. A further 1.25% on the outstanding amount will be added as interest on the 1st day of each month until paid. **Please note that the amount owing includes penalty and interest up to December 31, 2019.**

<u>Instalment Due Date</u>	<u>Amount</u>
Feb 5, 2020	9,330.58
Mar 5, 2020	1,703.00

TAB "F"

POLLARD & ASSOCIATES INC.

31 Wright Street
 Richmond Hill, Ontario, L4C 4A2

Notice of Receiver (Section 245(1))

In the matter of the receivership of the property of 31 Victory Development Inc., (the "Corporation")

Take notice that:

1. On the 29th day of January 2020, the undersigned Pollard & Associates Inc., became the Court Appointed Receiver in respect of all of the assets, undertakings and properties of the Corporation acquired for, or used in relation to a business carried on by the Corporation, including all proceeds thereof (the "Property").
2. The undersigned became a Receiver in respect of the Property by virtue of the Court Order of the Honourable Mr. Justice Penny dated November 5, 2019.
3. The following information relates to the receivership:

Address of insolvent person: 7100 Woodbine Avenue
 Markham, Ontario, L3R 5J2

Principal line of business: Land Development

Locations of business: 7100 Woodbine Avenue
 Markham, Ontario, L3R 5J2

Approximate amount owed by insolvent person to each creditor who holds a security on the property described above:

• Vector Financial Services Limited	\$1,791,496
• 10226190 Canada Ltd	1,000,000
• GR Mortgage Holdings Inc.	500,000

Contact person for receiver: Angela K. Pollard
 Telephone: 905-884-8191
 Fax: 905-884-4310

DATED at Richmond Hill this 31st day of January, 2020

POLLARD & ASSOCIATES INC.

Per:

Per: Angela K. Pollard, CPA, CMA, FCIRP, CFE, ICD.D

POLLARD & ASSOCIATES INC.
31 Wright Street,
Richmond Hill, Ontario, L4C 4A2

Statement of the Receiver (Section 246(1))

In the matter of the receivership of the property of 31 Victory Development Inc.

Take notice that:

1. On the 29th day of January 2020, the undersigned become the Court Appointed Receiver of all of the assets, undertakings and properties of 31 Victory Development Inc., (the "Debtor" or "31 Victory") acquired for, or in relation to the business carried on by the Debtor, including all proceeds thereof (the "Property").
2. Attached, as Appendix "A" is a list identifying the name of each creditor of the 31 Victory in reference to the Property and the amount owed to each creditor of the insolvent person.
3. The undersigned has commenced acting in accordance with the Court Order of the Honourable Mr. Justice Penny dated November 5, 2019. A copy of the Court Order is attached as Appendix "B".
4. The intended plan of the Receiver is to:
 - (a) Comply with the Order of the Court dated November 5, 2019 and all future Orders as required in dealing with the assets of 31 Victory; and
 - (b) The Receiver intends to complete the statutory requirements.

DATED at Richmond Hill this 31st day of January, 2020

POLLARD & ASSOCIATES INC.

Per:

Angela K. Pollard, CFA, CMA, FCIRP, CFE, ICD.D

Appendix "A"

Creditor List

Pollard & Associates Inc.

Date of Report: 31/01/2020

31 Victory Development Inc.

RICHMOND HILL

Generated By: Rita Makhzani

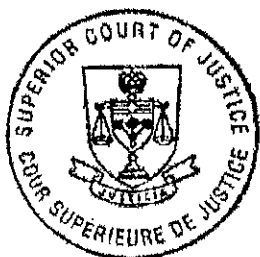
T	Creditor's Name and Address	Ref No	170 Report	Material Change	Amended Payments	Meeting Requested	Amount Declared	Amount Filed	Amount Admitted	CS
S	10226190 Canada Ltd. Attn: Dominique Michaud & Jonathan Preece c/o Robins Appleby, 120 Adelaide Street West, Toronto, Ontario, M5H 1T1, Canada		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$1,000,000.00	\$0.00	\$0.00	N
S	GR Mortgage Holdings Inc. Attn: Chris Besant c/o Gardiner Roberts LLP, Bay Adelaide Centre, East Tower 22 Adelaide Street West, Suite 3600, Toronto, Ontario, M5H 4E3, Canada		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$500,000.00	\$0.00	\$0.00	N
S	Vector Financial Services Limited Attn: Clifton Prophet & Thomas Gertner c/o Gowling WLG (Canada) LLP, 1 First Canadian Place 100 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5, Canada		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$1,791,495.97	\$0.00	\$0.00	N
Secured			Sub count of creditors		3	Sub Total	\$3,291,495.97	\$0.00	\$0.00	
C	Canada Revenue Agency - Insolvency Intake Centre 4695 Shawinigan Sud Blvd, Shawinigan, Quebec, G9P 6H9, Canada		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$1.00	\$0.00	\$0.00	N
Contingent			Sub count of creditors		1	Sub Total	\$1.00	\$0.00	\$0.00	
			Total count for all creditors		4	Grand Total	\$3,291,496.97	\$0.00	\$0.00	

Appendix "B"

Court File No. CV-19-627153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	The Honourable)	
	Mr. Justice)	TUESDAY, THE 5TH
JUSTICE	Penny)	DAY OF NOVEMBER, 2019



VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

31 VICTORY DEVELOPMENT INC.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Pollard & Associates Inc. ("Pollard") as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 31 Victory Development Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Mitchell Oelbaum sworn September 4, 2019 and the Exhibits thereto, the First Supplementary Affidavit of Mitchell Oelbaum sworn October 4, 2019 (the "Oelbaum October 4 Affidavit") and the Exhibits thereto, the Affidavit of Yuan Hua (Mike) Wang sworn October 7, 2019 and the Exhibits thereto, the Supplementary Affidavit of Yuan Hua (Mike) Wang sworn October 15, 2019 and the Exhibits thereto, and the further Supplementary Affidavit of Yuan Hua (Mike) Wang sworn October 15, 2019 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, counsel for the Debtor, those other parties listed on the counsel slip, no one else appearing for

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any other party although duly served as appears from the affidavits of service of Katherine Yurkovich sworn October 7, 2019 and on reading the consent of Pollard to act as the Receiver,

SERVICE:

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

EFFECTIVE DATE OF RELIEF:

2. THIS COURT ORDERS subject to Paragraph 3 of this Order, Paragraphs 4 through 33 of this Order, shall not take effect and shall be suspended until, and only be effective after, 5:00 pm on January 29, 2020, or upon further Order of this Court.

3. THIS COURT ORDERS that Paragraphs 4 through 33 of this Order, shall be of no force and effect, if at any time before 5:00 pm on January 29, 2020, the Applicant files with the Court a certificate of payment substantially in the form included as Schedule "A" to this Order, certifying payment in full by the Debtor to the Applicant of all indebtedness owed by the Debtor to the Applicant.

APPOINTMENT

4. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Pollard is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor and all proceeds thereof (collectively, the "Property"), including but not limited to the lands and premises listed in Schedule "B" hereto (the "Real Property").

RECEIVER'S POWERS

5. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

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- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

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- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to the extent that the Receiver believes it to be in the best interests of the stakeholders of the Debtor (solely, in their capacity as stakeholders of the Debtor), to market any or all of the Real Property with the lands and premises municipally known as 186 Old Kennedy Road, Markham, Ontario and 51 Victory Avenue, Markham, Ontario (collectively, the "Companion Lands"), provided that any such marketing is done with the consent of the owner of the Companion Lands or any receiver and / or manager appointed over the Companion Lands, including advertising and soliciting offers in respect of a joint sale of the Real Property and the Companion Lands together and negotiating such terms and conditions of sale as the Receiver in its discretion may deem to be in the best interests of the stakeholders of the Debtor (solely, in their capacity as stakeholders of the Debtor) provided that the Receiver may proceed with a sale of the Real Property alone if it deems that this is preferable;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$50,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

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- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property including as against the Real Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

6. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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7. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

9. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

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NO PROCEEDINGS AGAINST THE RECEIVER

10. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

11. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

13. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

14. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names,

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provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

15. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

16. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

17. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or 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 of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall

return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

19. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

22. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$400,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "C" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

26. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

27. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <http://www.pollardandassociates.ca/engagements/31victory>

28. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

29. THIS COURT ORDERS that the Receiver is hereby authorized and empowered, but not obligated, to cause the Debtor to make an assignment in bankruptcy and nothing in this Order shall prevent the Receiver from acting as trustee in the Debtor's bankruptcy.

30. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

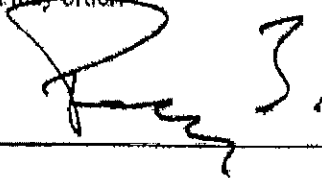
31. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the 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.

- 12 -

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


33. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 05 2019

PER / PAR: 

SCHEDULE "A"

Court File No. CV- 17-583627-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

APPLICANT

- and -

31 VICTORY DEVELOPMENT INC.

RESPONDENT

CERTIFICATE OF PAYMENT

RECITALS

A. Pursuant to an Order (the "Appointment Order") of the Ontario Superior Court of Justice [Commercial List] (the "Court") Pollard & Associates Inc. (the "Receiver") was appointed as Receiver, without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by 31 Victory Development Inc. (the "Debtor"), and all proceeds of the foregoing (the "Appointment"), but such Appointment is not to take effect and is suspended until, and is only to be effective after, 5:00 pm on January 29, 2020.

B. Pursuant to the Appointment Order, the Appointment, and certain other relief provided for in the Appointment Order, shall be of no force and effect if Vector Financial Services Limited (the "Applicant") before 5:00 pm on January 29, 2020, files with the Court, a Certificate of Payment certifying payment in full by the Debtor to the Applicant of all indebtedness owed by the Debtor to the Applicant.

THE APPLICANT CERTIFIES the following:

1. The Indebtedness has been paid in full by the Debtor to the Applicant; and
2. This Certificate was delivered by the Applicant at _____ [TIME] on _____ [DATE].

- 2 -

VECTOR FINANCIAL SERVICES LIMITED

Per:

Name:

Title:

SCHEDULE "B"**DESCRIPTION OF REAL PROPERTY**

The lands and premises municipally known as 31 Victory Avenue, Markham, Ontario and legally described as:

- PIN 02953-0029 (LT): PT E1/2 LT 2 CON 5 MARKHAM AS IN R410839 EXCEPT R43876 (THIRDLY); MARKHAM

SCHEDULE "C"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Pollard & Associates Inc., the receiver (the "Receiver") of the assets, undertakings and properties 31 Victory Development Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 9th day of October, 2019 (the "Order") made in an action having Court file number -CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

- 2 -

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

Pollard & Associates Inc., solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

VECTOR FINANCIAL SERVICES LIMITED

- and -

31 VICTORY DEVELOPMENT INC.

Applicants

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Counts of Justice Act*, R.S.O. 1990, c. c-43, as amended

Court File No. CV-19-627153-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

RECEIVERSHIP ORDER

GOWLING WLG (CANADA) LLP
Barristers & Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5
Tel: 416-862-7525
Fax: 416-862-7661

Clifton Prophet (LSO# 34845K)
Tel: 416-862-3509
clifton.prophet@gowlingwlg.com

Thomas Gertner (LSO# 67756S)
Tel: 416-369-4618
thomas.gertner@gowlingwlg.com

Solicitors for the Applicant

TAB "G"

RECEIVER CERTIFICATE

CERTIFICATE NO. 1

AMOUNT \$ 20,000

1. THIS IS TO CERTIFY that Pollard & Associates Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties 31 Victory Development Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 5th day of November, 2019 (the "**Order**") made in an action having Court file number CV-19-627153-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$20,000, being part of the total principal sum of \$400,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 10th day of each month after the date hereof at a notional rate per annum equal to the rate of 13 per cent.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

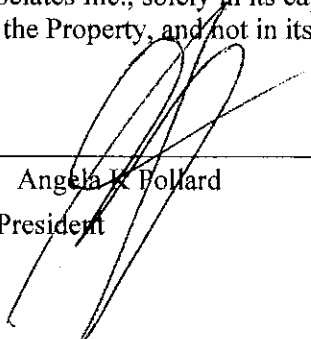
DATED the 10th day of March, 2020.

Pollard & Associates Inc., solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____

Name: Angela K Pollard

Title: President

A handwritten signature in black ink, appearing to read 'Angela K. Pollard', is written over a horizontal line. The signature is stylized and somewhat cursive.

TAB "H"

Pollard & Associates Inc.

Licensed Insolvency Trustee,
Financial Restructuring Services,
31 Wright Street,
Richmond Hill Ontario, L4C 4A2
Tel: (905) 884-8191, Fax (905) 884-4310
Email: akpollard@pollardandassoc.ca
www.pollardandassociates.ca

March 25, 2020

To: Prospective Purchasers

Dear Sir or Madam:

Re: 31 Victory Development Inc. (the "Company")

In connection with your possible interest in exploring an acquisition of the assets (the "Assets") of the Company (a "Transaction"), you have requested certain oral and written information from Pollard & Associates Inc., in its capacity as Court Appointed Receiver of the Company ("Receiver"). References to the "Information Parties" herein shall mean the Receiver and employees and/or agents of the business being carried on by the Company (the "Business"). All such information furnished to you or your Representatives (as defined below) by or on behalf of the Information Parties (irrespective of the form of communication and whether such information is so furnished before, on or after the date hereof), and all analyses, compilations, data, studies, notes interpretations, memoranda or other documents prepared by you or your Representative containing or based in whole or in part on any such furnished information are collectively referred to herein as the "Information". Information about identifiable individuals is referred to as "Personal Information".

In consideration of furnishing you with the Information, the Receiver requests your agreement to, and you agree to and will cause your Representatives to comply with, the following:

1. The Information will be used solely for the purpose of evaluating a Transaction, and the Information will be kept strictly confidential and will not be disclosed by you or your Representatives, except that you may disclose the Information or portions thereof to your directors, officers, shareholders and employees and representatives of your legal, accounting and financial advisors (the persons to whom such disclosure is permissible being collectively referred to here as the "Representatives") who need to know such Information for the purpose of evaluating such a Transaction; provided that such Representatives are informed of the confidential and proprietary nature of the Information and agree to comply with the terms of this Agreement. You agree to be responsible for any breach of this Agreement by your Representatives (it being understood that such responsibility shall be, in addition to and not by way of limitation of, any right or remedy of the Receiver and/or other beneficiaries of this Agreement may have against such Representatives with respect to any such breach).
2. Except with the prior written consent of the Receiver, neither you nor your Representatives will disclose to any person either the fact that any investigations, discussions or negotiations are taking place concerning a Transaction, or that you have received Information from any of the Information Parties, or any of the terms, conditions or other facts with respect to any such possible Transaction or involvement, including the status thereof. The term "person" as used in the Agreement will be interpreted broadly to include the media and any corporation, company, group, partnership, limited liability company, trust or other entity or individual.
3. If you or any of your Representatives become legally compelled (including by deposition, discovery, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Information, you shall provide the Receiver with prompt prior written notice of such requirement so that the Receiver may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement. If such protective order or other remedy is not obtained,

- or if the Receiver waives compliance with the provisions hereof, both you and your Representatives shall disclose only that portion of the Information which is legally required to be disclosed and shall take all reasonable steps to attempt to preserve the confidentiality of the Information.
4. Other than with regard to "Personal Information" the term "Information" does not include any information which (i) at the time of disclosure is generally available to the public (other than as a result of disclosure directly or indirectly by you or your Representatives or a person that disclosed such information in breach of a confidentiality obligation owed to the Receiver) or (ii) was available to you on a non-confidential basis from a source other than any of the Information Parties or their respective advisors, provided that such source was not known by you to be bound by a confidentiality obligation owed to the Receiver.
 5. Notwithstanding anything to the contrary contained in this Agreement, the following additional restrictions shall apply to Personal Information: (a) Personal Information will be kept confidential at all times in accordance with the terms of this Agreement and will not be used or disclosed except in accordance with applicable law; (b) you shall store the Personal Information properly and securely and ensure that appropriate physical, technological and organization measures are in place to protect the Personal Information against unauthorized or unintended access, use or disclosure; (c) you shall not retain, for any longer than necessary, any records pertaining to Personal Information; and (d) the confidentiality and non-use obligations in this Agreement pertaining to Personal Information shall survive any termination or expiration of this Agreement.
 6. If you determine not to pursue a Transaction, you will promptly notify the Receiver and its counsel of your determination. At the time of such notice, or if, at any earlier time, the Receiver so directs (with or not you determine to pursue a Transaction), you and your Representatives will promptly return to the Receiver (whether or not prepared by the Information Parties or otherwise not on their behalf), or destroy, all Information and all copies, extracts or other reproductions in whole or in part thereof. Notwithstanding the return of the Information, you and your Representatives will continue to be bound by this Agreement.
 7. You understand and acknowledge that none of the Information Parties, or any of their officers, directors, employees, shareholders, representatives or agents are making any representations or warranties, express or implied as to the accuracy or completeness of the Information, and none of the Information Parties, or any of their officers, directors, shareholders, employees representatives or agents, will have any liability to you or any other person resulting from your use of the Information. Only those representations or warranties that are made to you in a definitive written agreement regarding a Transaction (a "Definitive Agreement") when, and if it is executed and subject to such limitations and restrictions as may be specified in such Definitive Agreement, will have any legal effect. For greater certainty, the term "Definitive Agreement" does not include an executed letter of intent or any other preliminary written agreement nor does it include any written or oral acceptance of the Information Parties of any offer or bid, if any, made by you or your Representatives.
 8. Unless and until a Definitive Agreement with respect to a Transaction has been executed and delivered, the Receiver has no legal obligation of any kind whatsoever with respect to a Transaction by virtue of this Agreement or any other written or oral expression with respect a Transaction except, in the case of this Agreement, for the matters specifically agreed to herein. You acknowledge that the Receiver has been authorized to carry out a sale process ("Sale Process") and that such process may be amended from time to time. Modifications and amendments to the Sales Process may be sought without notice to you. The Receiver reserves the rights to cease or amend this offering at any time and/or reject any or all offers received. Subject to the terms of the Sales Process, the Receiver shall be free to provide Information to any person as it, in its sole discretion, shall determine.
 9. Except with the prior written consent of the Receiver, you, your Representatives and your affiliates and their Representatives shall not have discussions with, or negotiate with, any persons other than the Receiver to (a) in any manner acquire, agree to acquire or make any proposal to acquire, directly or indirectly any property related to the Business (other than purchases in the ordinary course of business), (b) enter into, directly or indirectly any merger, joint venture or business combination involving the

Business (c) control or influence the management of the Business (d) acquire any debt of the Company, or seek to control or influence any creditors of the Company in their actions or relationship with respect to the Company, or (e) advise, assist or encourage any other persons in connection with any of the foregoing.

10. No provision in this Agreement can be waived or amended except by written consent of the Receiver, which consent shall specifically refer to this paragraph and explicitly make such waiver or amendment.
11. You agree that no failure or delay by the Receiver in exercising any right, power or privilege hereunder will operate as waiver thereof or an estoppel thereto, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
12. You agree that all benefits conferred under this Agreement to the Receiver shall extend to any purchaser of all or any part of the Assets, and that such purchaser may be entitled to enforce as against you all rights and remedies of the Receiver and the Company arising under this Agreement.
13. If any provision of this Agreement is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity shall not be deemed to affect any other provision hereof or the validity of the remainder of this Agreement, and such invalid provision shall be deemed deleted herefrom to the minimum extent necessary to cure such violation.
14. Any requirement for you to provide notice or other communication shall be in writing and may be delivered personally or transmitted by fax or email, addressed as follows:
 Pollard & Associates Inc.
 31 Wright Street
 Richmond Hill, Ontario, L4C 4A2
 Attention: Angela Pollard
 Fax: 905-884-4310
 Email: akpollard@pollardandassoc.ca
15. You acknowledge and agree that the Receiver is not obligated to accept any offer, including the highest offer.
16. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to the conflicts of law principles thereof.
17. If you agree with the foregoing, please sign and return a copy of this letter, which will constitute our agreement with respect to the subject matter hereof.

Yours very truly,

POLLARD & ASSOCIATES INC.

In its capacity as Court Appointed Receiver for the estate of
 31 VICTORY DEVELOPMENT INC.,
 and not in its personal capacity

Per:

Angela K. Pollard CPA, CMA, FCIRP, CFE, ICD.D

PROPECTIVE PURCHASER

AGENT (if any)

Per:

Per:

Company Name:

Signing Officer:

Title:

Email Address:

Phone Number:

Company Name:

Individual Name:

Email Address:

Phone Number:

TAB "I"

FOR SALE RESIDENTIAL REDEVELOPMENT SITE



DESIGNATED
RESIDENTIAL
APPLICATION
MADE FOR
222 THREE-STOREY
TOWNHOUSES ON
± 9.6 ACRES

Alastair Strachan*
Vice President, Director
416 346 9500
alastair.strachan@cushwake.com

Cushman & Wakefield ULC, Brokerage
No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any specific listing condition, imposed by our principals. *Sales Representative **Broker

FOR SALE

186 OLD KENNEDY ROAD, 31 & 51 VICTORY AVENUE

MARKHAM, ONTARIO

194



Property Details

This offering is comprised of two separate, legal, adjoining parcels that can be purchased separately or together.

Addresses	<ol style="list-style-type: none"> 186 Old Kennedy Road, Markham & 51 Victory Avenue, Markham 31 Victory Avenue, Markham 	
Dimensions	<p>PARCEL ONE 186 OLD KENNEDY RD & 51 VICTORY AVE</p> <p>Old Kennedy Road: 200 Feet Aldergrove Drive: 1,080 Feet Victory Avenue: 903 Feet</p>	<p>PARCEL TWO 31 VICTORY AVE</p> <p>Victory Ave: 186 Feet East Side: 165 Feet West Side: 165 Feet South Side: 185 Feet</p>
Size	<p>8.96 Acres - 186 Old Kennedy Road & 51 Victory Avenue 0.67 Acres - 31 Victory Avenue 9.60 Acres - Total (Rounded)</p>	
Existing Buildings	<p>186 Old Kennedy Road & 51 Victory Avenue There is a ± 60,000 sf industrial building onsite and two metal sheds</p>	<p>31 Victory Avenue There is an historically important residential dwelling on the site</p>
Zoning	<p>186 Old Kennedy Road & 51 Victory Avenue: R3*272 (H) *274 (H2), R3*273 (H) *274 (H2), CA2*284 (H) *274 (H2)</p> <p>31 Victory Avenue: R3*273 (H)</p>	
Permitted Uses	<ul style="list-style-type: none"> Apartment Dwellings Business Offices Medical Offices Multiple Dwellings 	<ul style="list-style-type: none"> Restaurants Retail Stores Townhouse Dwellings
Markham Official Plan (2014)	‘Mixed Use Mid Rise’	
Secondary Plan	‘Urban Residential - Medium Density’ & ‘Community Amenity Area - Main Street’	
Proposed Secondary Plan	Milliken Centre Secondary Plan by the City of Markham (2017) ‘Residential Mid Rise I’ & Greenway Block	
Milliken GO Station	0.64 kilometres south to Milliken GO Station	

Aerials



FOR SALE

186 OLD KENNEDY ROAD, 31 & 51 VICTORY AVENUE

MARKHAM, ONTARIO

196



Current Application — Development Potential

ARCHITECTURAL RENDERINGS*
TOWNHOMES



The current site plan, which was submitted for a Zoning By-Law Amendment and Site Plan Approval in April 2018, proposes 222 three-storey rear lane townhouses totaling an approximate GFA of 427,736 square feet. The application was deemed complete in May 2018 and is in process at the City of Markham. The application was handled by Ryan Guetter of Weston Consulting

SITE PLAN SUMMARY

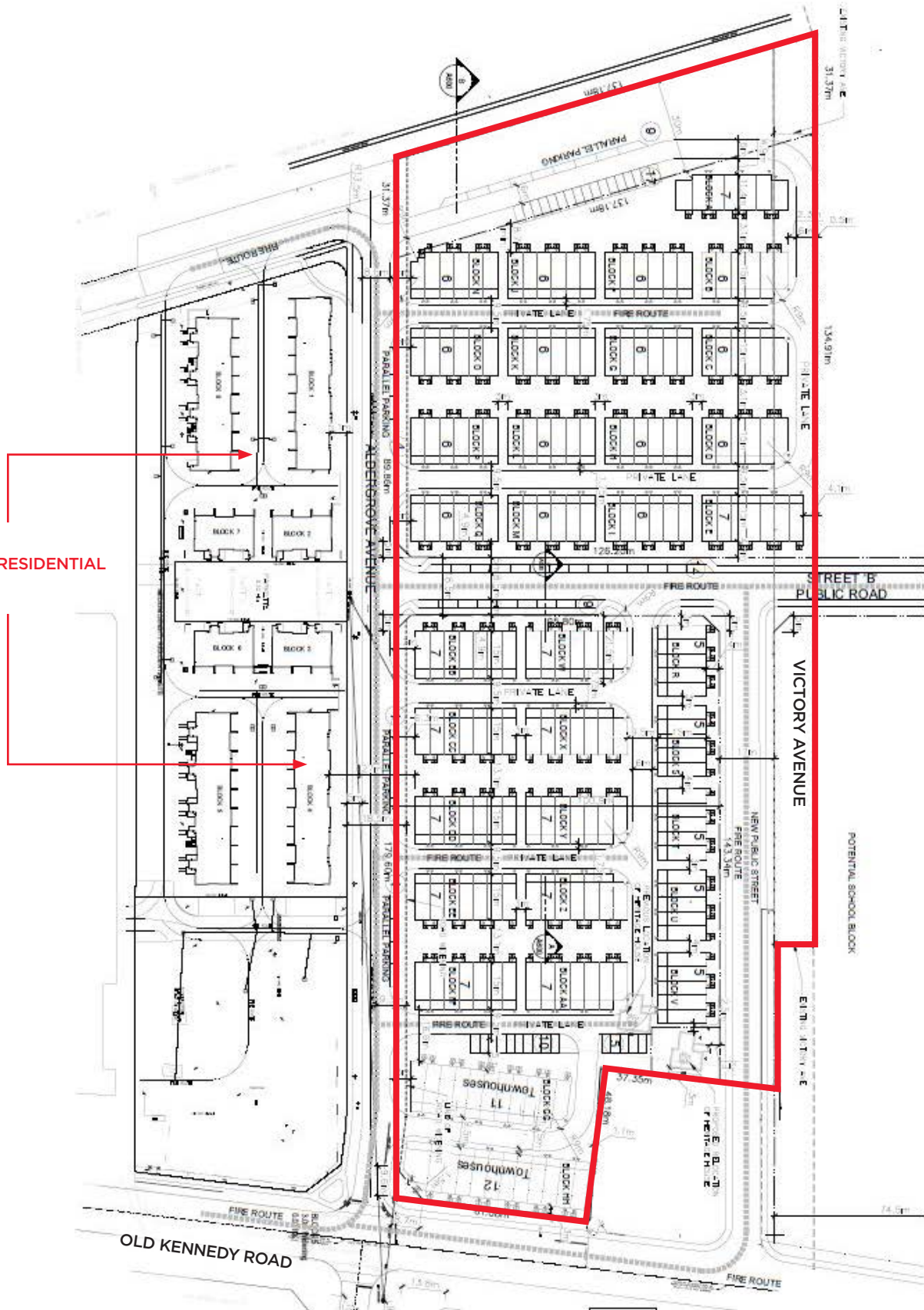
TOWNHOUSE UNITS	222 (25 per acre)
STOREYS	3
FSI	1.10
GFA	427,736 sf
BUILDING AREA COVERAGE	41%

PROPOSED PARKING

VISITORS	(0.14/D.U.) 32 spaces
RESIDENTS	(Tandem 2.0 spaces/D.U.) 222 spaces (444 spaces)
PARALLEL PARKING	44 spaces
TOTAL	298 spaces

Site plan — Current Application

EXISTING RESIDENTIAL

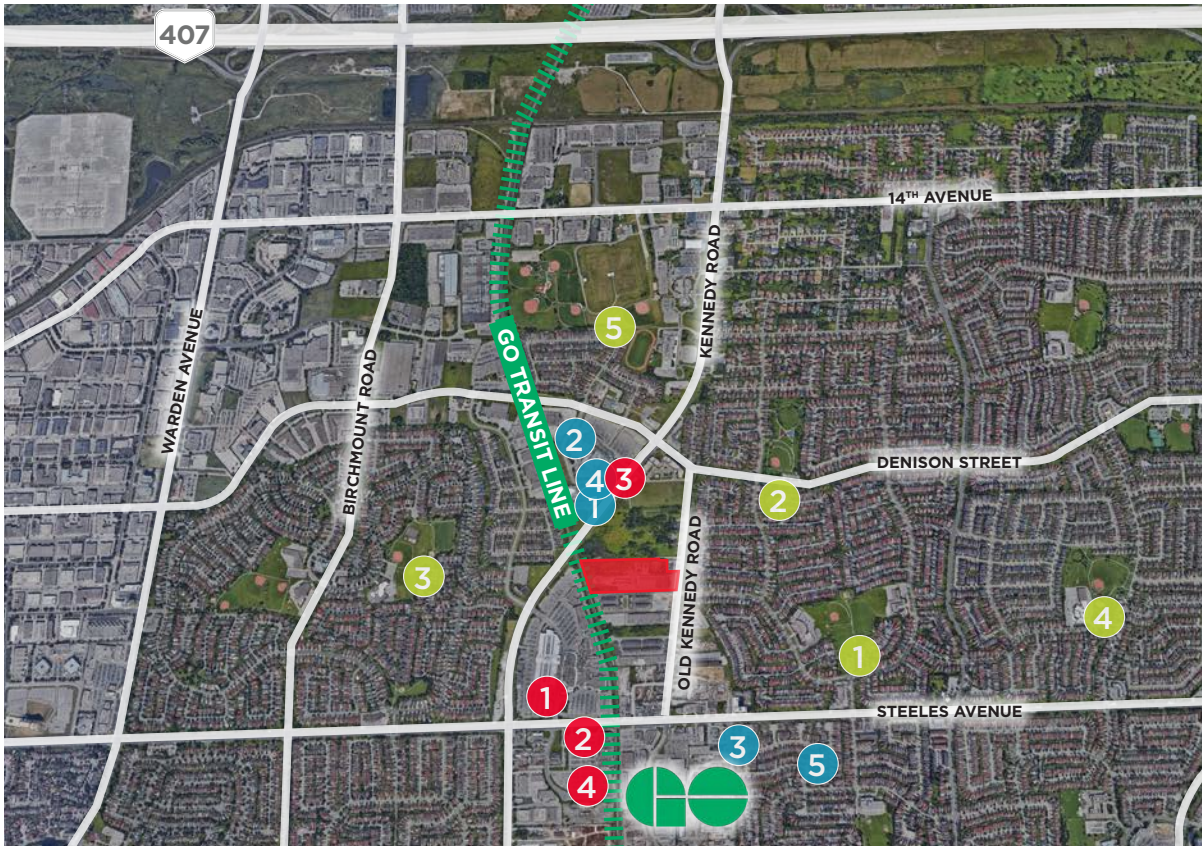


FOR SALE

186 OLD KENNEDY ROAD, 31 & 51 VICTORY AVENUE

MARKHAM, ONTARIO

Location Overview



Restaurants & Services

- 1 CIBC Branch & ATM
- 2 BMO Bank of Montreal
- 3 Tim Hortons
- 4 Shopper's Drug Mart
- 5 Domino's Pizza

Parks

- 1 Aldergrove Park
- 2 Denison Park
- 3 High Gate Park
- 4 Wilclay Park
- 5 Millken Mills Park

Retail

- 1 Pacific Mall
- 2 Market Village
- 3 Denison Centre
- 4 Splendid China Mall

Milliken GO Transit Station

Offering Process

The property is being offered by way of proposal call. Interested buyers should first sign a confidentiality agreement which will allow access to a data room. Interested buyers will be advised of the date that offers are expected to be received by.

FOR MORE INFORMATION PLEASE CONTACT:

ALASTAIR STRACHAN*

Vice President, Director
Direct Tel: 416 346 9500
alastair.strachan@cushwake.com

TAB "J"

Small businesses say new rent relief guidelines still not enough

RACHELLE YOUNGLAI
JOSH O'KANE

New details from Ottawa on its commercial rent relief program for small businesses have given little comfort to tenants who say they will still not get help.

With just a few days left until May rent is due, federal officials unveiled new guidelines Wednesday for property owners so they can access taxpayer funds to reduce their distressed tenants' rent by at least 75 per cent.

The Canada Mortgage and Housing Corp. (CMHC), which will administer the program, defined what qualifies as rent and outlined several requirements for small businesses and landlords. Many tenants and property owners have said they were confused after the Canada Emergency Commercial Rent Assistance plan was announced last Friday.

Under the program, forgivable loans to property owners funded by Ottawa and the provinces and territories would cover half of a distressed tenant's rent for April, May and June. The CMHC now says the tenant would be required to pay up to one-quarter of the total rent, and the landlord would need to cover no less than one-quarter.

The guidelines also say the monthly rent maximum of \$50,000 applies to gross rent, which includes shared costs such as maintenance, and that property owners without a mortgage also qualify.

But even with the clarifications, some tenants say they've been told they won't get help.

Paul Drysdale, who co-owns a waterbed and futon store in Brampton, Ont., said his property owner does not want to participate in the rent relief program. Mr. Drysdale said sales at his GTA Furniture Central store plunged to about \$3,000 in April from about \$25,000 in March.

"As soon as I found out it wasn't mandatory, I knew we were in trouble," said Mr. Drysdale. He sent his property manager a cheque for one-quarter of his gross rent for April, but was told that the landlord expected the full payment. Now, Mr. Drysdale is worried the property manager will change the locks on his store this Friday.

Ottawa's previous guidelines stated that both the tenant and



Paul Drysdale, who co-owns a waterbed and futon store in Brampton, Ont., is seen Wednesday. He says his property owner does not want to participate in the rent relief program. FRED LUM/THE GLOBE AND MAIL

the landlord were required to contribute one-quarter of the rent. Some large property owners had pushed for more flexibility because many of their retail tenants' revenues have gone to zero and those stores may not have funds for even one-quarter of the rent.

The increased flexibility would allow landlords to access taxpayer funds even if their tenants paid no rent. (To qualify, a tenant must have lost a minimum of 70 per cent of its revenue due to coronavirus shutdowns.)

As well, Ottawa now says the monthly rent cap applies per location and not across all outlets of a chain – so long as the parent company does not generate more than \$20-million in gross annual revenues. That means chains of gyms, stores or restaurants could qualify.

"I am thrilled. This will allow for more support," said Scott Wildeman, senior vice-president at GYMVM, which operates more than a dozen gyms in Alberta, and president of the Fitness Industry Council of Canada.

But Andrew Oliver, president of the Oliver & Bonacini hospitality group, which has restaurants across the country, and who had hoped to participate in the program, said the clarified rules mean he is no longer eligible because of the size of his business.

For Renata Snidr, director of corporate and legal affairs at Narat, a Toronto-based tour operator and travel agency, there is no relief, either. Her landlords told her they wouldn't apply for the federal benefit because the process was too onerous – putting her

in what she called a "hostage" situation in which she has no choices.

Ms. Snidr said her landlord has offered a rent deferral. "That is better than nothing, but it's not the same as paying 25 per cent of the rent," she said.

Chrissy Ronalds runs a commercial kitchen and catering service from an industrial building in Hamilton. Her landlords also told her that they wouldn't participate, instead offering a rent deferral plan with an April 30 deadline to agree. Ms. Ronalds declined to sign it.

"I opted not to lock myself in to the deferral, hoping there would be adjustments to the program," she said. She forwarded the newest federal rent relief details to her landlords on Wednesday, hoping they change their minds. But she said the new rules don't address the biggest structural issue: "If there's no requirement to participate, are they going to?"

A spokesperson for Small Business Minister Mary Ng said she "strongly encourages all eligible commercial property owners to participate in this program to take advantage of our forgivable loans," which guarantees more immediate income than if the landlord simply deferred rent payments.

Many of the largest corporate owners of malls and shopping centres, such as Cadillac Fairview and RioCan REIT, have offered rent deferrals to their hardest-hit small tenants. But many big tenants, such as GoodLife Fitness and Staples, as well as smaller ones, simply withheld April rent or were not able to pay.

Aimia overhauls executive team, reinvents itself as an investment firm

ANDREW WILLIS

Aimia Inc. reinvented itself on Wednesday as an investment manager with a new executive team, ending two years of shareholder battles over the company's strategy following the sale of its Aeroplan loyalty program.

Montreal-based Aimia, a travel loyalty business, announced a series of transactions that will see the company acquire its largest shareholder, New York-based money manager Mittleman Brothers LLC, and merge its loyalty businesses with Waterloo, Ont.-based rival Kognitiv Corp.

Aimia named Philip Mittleman, chief executive officer of Mittleman Brothers, as its interim CEO, a position that is expected to become permanent once the acquisition of his privately owned firm closes. In a release on Wednesday, Aimia said its current CEO, Jeremy Rabe, "stepped down, effective immediately." Mittleman Brothers owns 25 per cent of Aimia and supported the decision to hire Mr. Rabe two years ago, but the CEO and board of directors subsequently sparred publicly with the fund manager over its plans for the company.

Aimia's major assets are stakes in several loyalty businesses, plus \$350-million of cash that came from the sale of Aeroplan to Air Canada and \$700-million of tax losses, which could offset future profit. The company was forced to sell Aeroplan back to Air Canada after the airline announced plans to break the relationship and start its own loyalty program, then made a hostile takeover offer.

Prior to Wednesday's announcement and Mr. Rabe's departure, analyst Drew McReynolds at RBC Dominion Securities Inc. said Aimia had "embarked on a consolidation strategy within the global loyalty and travel segment with the intention of deploying excess capital into acquisition opportunities."

That focused strategy is now history. With Mr. Mittleman as CEO and his brother Christopher Mittleman joining as chief investment officer and a board member, the company said in a press release: "Aimia is now positioned to invest wherever a suitable opportunity can be identified, in any sector."

Aimia plans to buy Mittleman Brothers for US\$5-million in cash and four million Aimia shares. Mittleman Brothers was founded in 2005 and there is a third sibling, David, serving as head of sales. The firm is relatively small, with US\$317-million of assets under management. The fund manager significantly underperformed benchmarks in recent years, turning in a 3.3-per-cent loss last year, when the S&P 500 rose 31.5 per cent, and averaging a 4.1-annual-loss over the past five years, while the S&P 500 index returned 11.7 per cent annually. Aimia is the fund manager's largest holding and only Canadian investment.

The deal with Kognitiv will see Aimia contribute its loyalty business, plus \$21-million of cash, to the 12-year-old Canadian company, which is led by founder Peter Schwartz, a former CEO at Descartes Systems Group. Kognitiv shareholders will invest \$14-million in the combined company, and Aimia will hold a 49-per-cent stake if the transaction closes as expected by May 29.

When the dust settles at Aimia, Philip Mittleman is expected to be running a company with \$265-million of cash, a 100-per-cent stake in Mittleman Brothers, 49 per cent of Kognitiv, 49 per cent of a joint venture loyalty program with Aeroméxico and 20 per cent of an AirAsia loyalty program. The number of employees at Amia is expected to fall from 450 to 20.

Aimia named Philip Mittleman, chief executive officer of Mittleman Brothers, as its interim CEO, a position that is expected to become permanent once the acquisition of his privately owned firm closes.

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ben.sykes@avisonyoung.com

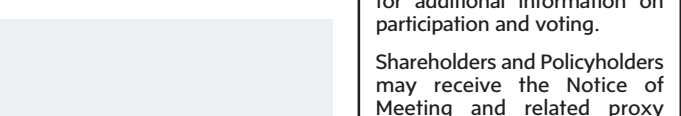
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MEETING NOTICES

ivari ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the holders of participating policies issued by *ivari* will be held at the head office of *ivari* at 5000 Yonge Street, Toronto, Ontario on **Thursday, May 14, 2020 at 10:30 a.m.** local time for the purposes of presenting the financial statements for the year ended December 31, 2019 and the reports of the auditor and appointed actuary; electing directors; appointing the auditor; and to transact such other business as may be properly brought before the meeting or any adjournment or postponement thereof.



Notice of Annual Meeting of Shareholders and Policyholders of The Canada Life Assurance Company

To support public health efforts in managing COVID-19, Canada Life's annual meeting will be held on-line by live audio webcast on **Thursday, May 7, 2020 at 11:00 am** (Central time). Canada Life encourages shareholders and policyholders to provide voting instructions in advance through one of the methods described in our Management Proxy Circular. Please refer to canadalive.com for additional information on participation and voting.

Shareholders and Policyholders may receive the Notice of Meeting and related proxy materials upon written request to 100 Osborne Street N., Winnipeg, Manitoba, R3C 1V3 Attention: Corporate Secretary or by calling 1-888-873-8813.

FOR SALE

RESIDENTIAL REDEVELOPMENT
MARKHAM, ONTARIO

- ▶ Court ordered receivership
- ▶ Current application for 222 townhomes
- ▶ 9.6 acres
- ▶ Existing income

Alastair Strachan* 905 501 6429
alastair.strachan@cushwake.com

*Sales Representative Cushman & Wakefield ULC, Brokerage

LEGALS

In the matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and in the matter of Delphi Energy Corp. and Delphi Energy (Alberta) Limited (the "Companies")

NOTICE TO CREDITORS

NOTICE IS HEREBY GIVEN that on April 14, 2020, the Companies sought and obtained from the Court of Queen's Bench of Alberta, Calgary Division, an initial order (the "Initial Order") pursuant to the CCAA, under Court File No. 2001-05124. Pursuant to the Initial Order, PricewaterhouseCoopers Inc., LIT was appointed as monitor of the Companies (the "Monitor"). The CCAA proceeding is intended to facilitate a restructuring of the Companies for the benefit of stakeholders. This notice is provided in accordance with section 23(1) (a) of the CCAA and paragraph 23 of the Initial Order.

A copy of the CCAA Order and a preliminary list of creditors are publicly available and can be found on the Monitor's website at www.pwc.com/ca/delphi. Future reports of the Monitor, Court Orders, proposed compromises or arrangements and notices to creditors will be made publicly available on this site. Alternatively, you may contact the Monitor directly for copies at:

PricewaterhouseCoopers Inc., LIT Monitor of Delphi Energy Corp. and Delphi Energy (Alberta) Limited
3100, 111 – 5th Avenue SW
Calgary, AB T2P 5L3
Attention: Lynda Huber
Telephone +1 403 509-7309

DATED at Calgary, Alberta this 17th day of April, 2020.

TAB "K"

FOR SALE RESIDENTIAL REDEVELOPMENT SITE



DOWNLOAD
BROCHURE

DOWNLOAD
NDAs

DESIGNATED
RESIDENTIAL
APPLICATION
MADE FOR
222 THREE-STOREY
TOWNHOUSES ON
± 9.6 ACRES

Alastair Strachan*
Vice President, Director
416 346 9500
alastair.strachan@cushwake.com

Cushman & Wakefield ULC, Brokerage
No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any specific listing condition, imposed by our principals. *Sales Representative **Broker

TAB "L"

**Summary of Offers received by the Receiver
(Filed Separately)**

TAB "M"

POLLARD & ASSOCIATES INC.
solely in its capacity as Court-appointed receiver and manager
of 31 Victory Development Inc. (the “**Debtor**”) and on behalf of the Debtor
and not in its personal capacity and without any personal or corporate liability

- and -

CHENGYI WEI, in trust for a company to be incorporated

AGREEMENT OF PURCHASE AND SALE

May 8, 2020

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE is made as of May 8, 2020

B E T W E E N:

POLLARD & ASSOCIATES INC., solely in its capacity as Court-appointed receiver and manager of 31 Victory Development Inc. the “**Debtor**”) and on behalf of the Debtor and not in its personal capacity and without any personal or corporate liability

(the “**Vendor**” or “**Receiver**”)

- and -

CHENGYI WEI, in trust for a company to be incorporated,

(the “**Purchaser**”)

RECITALS:

A. Pursuant to the Appointment Order (as defined herein), the Vendor has been appointed the receiver and manager of the current and future assets, undertaking and properties of the Debtor;

B. Pursuant to the Appointment Order and subject to approval of the Court (as defined herein), the Vendor has the power and authority to, *inter alia*, sell, convey and transfer the Debtor’s assets, undertaking and properties;

C. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Purchased Assets (as defined herein), subject to and in accordance with the terms and conditions contained herein and the approval of the Court.

NOW THEREFORE in consideration of the premises, the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Parties (as defined herein) hereto covenant, agree and declare as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following terms will have the following meanings:

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"Acceptance Date" means the date upon which this Agreement is executed and delivered by the Receiver and the Purchaser;

"Agreement" means this agreement, and all schedules attached to this agreement, in each case as they may be amended or supplemented from time to time, and the expressions **"hereof"**, **"herein"**, **"hereto"**, **"hereunder"**, **"hereby"** and similar expressions refer to this Agreement. Unless otherwise indicated, references to **"Articles"**, **"Sections"** and **"Schedules"** are to articles and sections and schedules of this agreement;

"Applicable Law" means collectively, (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority having the force of law;

"Appointment Order" means the Order made by the Honourable Justice Penny of the Court on November 5, 2019 appointing the Vendor as the receiver and manager of the Debtor effective January 29, 2020;

"Approval and Vesting Order" means an order or orders to be made by the Court upon terms acceptable to the Parties, acting reasonably, that alone or in combination, among other things, (i) authorizes the Vendor to enter into this Agreement and sell the Purchased Assets pursuant to and in accordance with this Agreement and approves same, and (ii) provides that, upon Closing, all the Debtor's right, title and interest in the Purchased Assets sold pursuant to this Agreement shall irrevocably vest in the Purchaser or as the Purchaser may further direct, free and clear of all registered or unregistered liens, claims and encumbrances;

"Business Day" means any day, other than Saturday, Sunday or any statutory holiday in the Province of Ontario;

"Closing" means the completion of the Transaction;

"Closing Date" means August 31, 2020, or such other date, after issuance of the Approval and Vesting Order, that the Parties may agree, in writing, acting reasonably;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Excluded Assets" means those assets identified in Schedule B" hereto;

"Governmental Authority" means any agency, board, bureau, court, commission, department, legislature, parliament or tribunal, or any federal, provincial, territorial, municipal, local or other governmental entity or authority;

"Liability" or "Liabilities" means any and all liabilities, obligations, charges, costs, debt and indebtedness, of any and every kind and nature whatsoever, absolute or contingent, liquidated or unliquidated;

"Parties" means the Vendor and the Purchaser;

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- 3 -

"Person" means any individual, partnership, limited partnership, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority, however designated or constituted;

"Property" means the lands and premises described in Schedule A hereto;

"Purchased Assets" has the meaning attributed to such term in Section 2.1;

"Purchase Price" means the aggregate of the amounts to be paid pursuant to Section 3.1;

"Tax" or "Taxes" means any federal, provincial, state, local, foreign or other income, gross receipts, profits, franchise, transfer, sales, use, customs, payroll, occupation, health, property, excise, valued added (including goods and services tax) or other taxes, fees, duties, assessments, withholdings or governmental charges of any nature (including interest, penalties and additions to such taxes or charges);

"Terms and Conditions of Sale" means the terms and conditions of sale of the Vendor pertaining to the tender of offers to be received in accordance with the Sale Process;

"Time of Closing" means 11 a.m. on the Closing Date or such other time on the Closing Date as agreed to by the Parties;

"Transaction" means the transaction of purchase and sale contemplated by this Agreement;

"Vendor's Solicitors" means Minden Gross LLP;

1.2 Schedules

The following schedules form part of this Agreement:

- (a) Schedule "A" - Description of Purchased Assets
- (b) Schedule "B" - Excluded Assets

1.3 Headings

The division of this Agreement into separate Articles, Sections and Schedules, the provision of a table of contents and the insertion of headings is for convenience of reference only and will not affect the construction or interpretation of this Agreement.

1.4 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and will be paid in Canadian currency.

1.6 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by Applicable Law, the Parties waive any provision of law that renders any provision of this Agreement invalid or unenforceable in any respect. The Parties will engage in good faith negotiations to replace any provision that is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision that it replaces.

1.7 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.8 "Including"

All usage of the word "including" in this Agreement will mean "including without limitation" or "including but not limited to" throughout this Agreement.

1.9 Statutory References

Any reference to a statute will mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided.

1.10 Date for Any Action

When calculating the period of time within which or following which any act is to be done or step taken, the date that is the reference day in calculating such period will be excluded. If the last day of such period is not a Business Day, the period will end on the next Business Day.

1.11 Recognized Meanings

Words or abbreviations that have well known or trade meanings are used herein in accordance with their recognized meanings.



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1.12 Arm's Length Negotiations

The Parties acknowledge that they are dealing with one another at arm's length. This Agreement will not be construed in favour of or against either Party by reason of the extent to which either Party or its professional advisors participated in the preparation of this Agreement.

**ARTICLE 2
PURCHASE AND SALE OF ASSETS****2.1 Purchased Assets**

Subject to the provisions of this Agreement and pursuant to the Approval and Vesting Order, the Vendor will sell, assign and transfer to the Purchaser and the Purchaser will purchase from the Vendor, effective as of the Time of Closing on the Closing Date, all of the right, title and interest of the Debtor, if any, in and to all of the Debtor's real property and assets further described in Schedule "A" hereto provided, however, that the above shall not include the Excluded Assets, which the Purchaser shall not acquire nor take title to or possession of. All of the foregoing excluding the Excluded Assets are hereinafter collectively called the "Purchased Assets").


2.2 Acknowledgments by Purchaser

The Purchaser acknowledges that:

- (a) the interest of the Debtor in the Purchased Assets may be limited and the Vendor will be obliged to convey to the Purchaser only such interest as the Debtor has therein and no interest of any third party, provided that nothing in this Section 2.2(a) shall be applied or construed so as to derogate from the title or interest acquired by the Purchaser pursuant to and in accordance with the Approval and Vesting Order. To the extent that any obligation of the Vendor requires the co-operation or assistance of any third party, the Vendor will not be required to compel any such co-operation or assistance for the purposes of making any conveyance to the Purchaser.
- (b) the Purchaser shall be solely responsible for obtaining all consents required by the Purchaser in accordance with the terms hereof to the assignment and transfer to the Purchaser of the Purchased Assets. The Vendor agrees that it will do or cause to be done such things as are reasonably requested by the Purchaser in order to assist the Purchaser to obtain required consents provided that the Vendor shall have no obligation to obtain any consents or to provide or pay any consideration or incur any costs to obtain such consents;
- (c) the Purchaser has inspected the Purchased Assets, has relied entirely upon its own inspection and investigation, and is purchasing the Debtor's right, title and interest, if any, in and to the Purchased Assets on an "as is, where is" basis as they exist at Closing with no recourse to the Vendor and that there is no representation, warranty or condition, express or implied, statutory or otherwise,

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as to the title, encumbrances, description, fitness for any purpose, merchantability, quality, quantity, state, condition (environmental or otherwise), defect (patent or latent), existence, location, value, the validity or enforceability of any rights (including intellectual property rights), any requirement to licences, permits, approvals, consents for transfer, ownership, occupation or use, compliance with any governmental laws, regulations, by-laws and orders or in respect of any other matter or thing whatsoever, except for the express warranties and representations contained in Article 4. Without limiting the generality of the foregoing, no condition, warranty or representation provided for or implied by any statute or regulation of the Province of Ontario has been or will be given by the Vendor, and the Purchaser expressly waives all express or implied conditions, warranties and representations by the Vendor;

- (d) Without limiting the generality of paragraph (c), the Purchaser acknowledges and agrees that the parties have expressly agreed to exclude from this Agreement all representations and warranties with respect to the following matters:
- (i) the description, title, condition, state of repair and fitness for any purpose of the Purchased Assets;
 - (ii) the compliance of the Property with: zoning by-laws and regulations; or applicable fire and building codes, including without limitation, the existence of any outstanding work orders, deficiency notices, orders to comply or the like;
 - (iii) any easements, rights of way or other registered or unregistered interest in the Property which impacts the plot use enjoyment or development opportunities connected with the Property;
 - (iv) that the present use or any future use of the Property intended by the Purchaser is or will be lawful or permitted;
 - (v) the execution, good standing, validity, binding effect or enforceability of the Permitted Encumbrances;
 - (vi) that the Receiver has any right, title or interest in any goodwill associated with the Property, or the use of any name associated with the operation of the Property;
 - (vii) the compliance of the Property with environmental laws or the existence or non-existence of hazardous materials, environmental, soil or water contamination or pollution on or about the Property, or otherwise with respect to the environmental condition of the Property; and
 - (viii) the existence of, or intention to commence, expropriation proceedings by a Governmental Authority in regard to any part or parts of the Purchased Assets (the Purchaser acknowledges having been advised that the Receiver has an indication that such proceedings have been commenced).
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- (e) any asset lists, information packages and other material concerning the Purchased Assets or the sale thereof provided by or on behalf of the Vendor have been prepared solely for the convenience of the Purchaser and are not warranted or represented to be complete or accurate and are not part of this Agreement (unless specifically provided in such material) and the descriptions of the Purchased Assets provided to the Purchaser are for the purposes of identification only, and no condition, warranty or representation has been or will be given by the Vendor concerning the accuracy, completeness or any other matter concerning such descriptions;
- (f) the Vendor is entering into this Agreement solely in its capacity as Court-appointed receiver and manager of the assets, undertakings and properties of the Debtor pursuant to the Appointment Order and not in its personal or other capacity and the Vendor and its agents (including the Vendor's Solicitors), officers, directors and employees will have no personal or corporate liability under or as a result of this Agreement, or otherwise in connection herewith;
- (g) save as to any valid objection to title made in respect of matters arising after the Acceptance Date, and save and except any objection going to the root of title which the law allows to be made and which is made after the Acceptance Date, the Purchaser shall be conclusively deemed to have accepted the title to the Property and to have accepted the Property subject to all applicable laws, by-laws and regulations affecting its use. If any such valid objection going to the root of title shall be made by the Purchaser prior to the Closing Date, which the Receiver is unable or unwilling to remove, remedy or satisfy and which the Purchaser will not waive or is not satisfied by title insurance, then the Receiver may terminate this Agreement by Notice to the Purchaser, whereupon, except as herein expressly set forth, the Deposit shall be forthwith returned to the Purchaser without deduction and each of the Purchaser and the Receiver shall be released from all obligations under this Agreement;
- (h) the Purchaser shall accept title to the Purchased Assets subject to the original Grant from the Crown, the exceptions and qualifications contained in paragraphs 7, 8, 9, 10, 12 and 14 of Subsection 44 (1) of the Land Titles Act; any liens, security interests, encumbrances, encroachments, easements, rights-of-way, restrictions, leases, agreements with Governmental Authorities, agreements with adjoining property owners, and any outstanding work orders, building permits, deficiency notices or orders to comply or the like issued by any Government Authority, and
- (i) the Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title except such of the foregoing as are in the possession or control of the Receiver.

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2.3 The Purchaser further acknowledges and agrees that:

- (a) there shall not be, surviving Closing, any express or implied representation or warranty by the Receiver or any condition as to title, merchantable quality, fitness for any purpose or otherwise, except to the extent expressly provided for in this Agreement;
- (b) the Approval and Vesting Order shall provide that the Receiver, upon the conditions to Closing, as set forth in Section 6.1 and Section 6.3 of this Agreement, having been satisfied or (subject to Section 6.3) waived by the Receiver and the Purchaser, respectively, in accordance with the terms of this Agreement, shall file a certificate with the Court substantially in the form attached to the Approval and Vesting Order (the "Receiver's Certificate") and that title to the Purchased Assets shall vest in the Purchaser (or a Permitted Assign and/or a nominee titleholder for the Purchaser or such Permitted Assign) effective immediately upon the execution of the Receiver's Certificate;
- (c) despite issuance of the Approval and Vesting Order, the Purchaser (or such Permitted Assign and/or nominee title holder for the Purchaser or such Permitted Assign) shall have no rights thereunder, nor any right, title or interest in the Purchased Assets until the Receiver's Certificate is executed by the Receiver, as aforesaid; and
- (d) at least ten (10) Business Days prior to the scheduled Closing Date, the Purchaser shall provide an assignment and assumption agreement along with a written direction to the Receiver setting forth the name in which title to the Property will be taken. The Purchaser shall cause any nominee title holder to execute and deliver any instruments to be registered on title under the terms of this Agreement;
- (e) the Receiver shall make available to the Purchaser at the office of the Receiver, immediately following Closing, copies of all correspondence, records, files, books of account, operating manuals, plans, surveys and other documents pertaining to the operation of the Property in the Receiver's possession, other than documents, books and records which the Receiver is required by law to retain or which the Receiver reasonably believes it has a duty to retain (and the Receiver shall make copies for the Purchaser of all such documents);
- (f) the Receiver shall make available to the Purchaser at the office of the Receiver, immediately following Closing, all duplicate keys and master keys for the Property that are within the Receiver's possession;
- (g) all other documents which are required and which the Purchaser has reasonably requested prior to Closing to give effect to this Transaction in accordance with the terms of this Agreement.

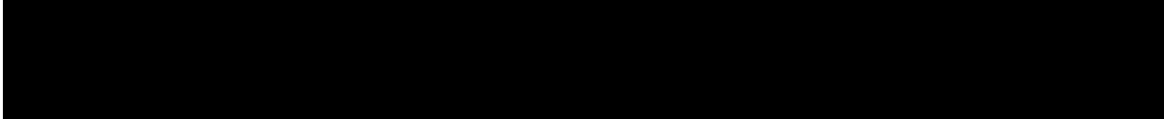
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- 9 -

All documentation referred to in this section, except as otherwise provided herein, shall be in form and substance acceptable to the Purchaser and the Receiver each acting reasonably.

ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

3.1 Purchase Price



3.2 Deposit Price

The Purchaser has delivered to the Vendor a first deposit in the amount of \$250,000 (the "**First Deposit**"). A second deposit shall be paid to the Vendor, in trust, by wire transfer or cheque certified by a Canadian Chartered Bank or bank draft in the sum of \$1,000,000 (the "**Second Deposit**") five Business Days prior to the day on which the Application for the Approval and Vesting Order is scheduled to take place before the Court and in any event by no later than May 28, 2020 (collectively, the First Deposit and the Second Deposit are sometimes referred to herein as the "**Deposit**"). The Purchaser hereby confirms, acknowledges and agrees with the Vendor that should either the First Deposit or the Deposit be forfeited for any reason, the First Deposit or the Deposit (as may be applicable) shall be allocated on a pro rata basis between this Transaction and the purchase and sale transaction contemplated under the Agreement of Purchase and Sale of even date between the Vendor and the Purchaser in respect of the real property known municipally as 186 Kennedy Road and 51 Victory Avenue, Markham and as more particularly described in Schedule "A" of such agreement (the "**Old Kennedy Purchase Agreement**").

This Agreement is part of and bundled to the successful closing of the purchase and sale transaction under the Old Kennedy Purchase Agreement (the "**Old Kennedy Transaction**").

If the Old Kennedy Transaction does not close, then this Transaction shall be terminated as well.

3.3 Allocations re Purchase Price

On or before the Closing Date, the parties shall reasonably agree as to the manner in which the Purchase Price shall be allocated as between the Purchased Assets. The allocation between the Purchased Assets shall not be based upon or related to the amount used as a threshold for calculating any adjustments, as provided herein. In the event that the parties are unable to agree as to such allocation then each shall be free to make its own allocation of the Purchase Price acting reasonably.

A handwritten mark, possibly initials or a signature, located in the bottom right corner of the page.

3.4 Payment

The Parties agree that, at the Time of Closing, the Purchaser shall pay the balance of the Purchase Price by wire transfer from a Canadian chartered bank to the Vendor's Solicitor in the amount of the Purchase Price.

3.5 Taxes, Purchase Exemption Certificates and Elections

The Purchaser will be liable for and will pay at the Time of Closing all applicable retail sales taxes (including any harmonized sales taxes and goods and services taxes under the *Excise Tax Act* (Canada) (the "HST") and all other transfer taxes, duties or other like charges payable upon or in connection with the purchase of the Purchased Assets by the Purchaser, unless the Purchaser provides the Vendor with valid exemption certificates acceptable to the Vendor, acting reasonably. Regardless of whether or not the Purchaser provides the Vendor with any such exemption certificates, the Purchaser shall indemnify the Vendor from and against all claims, liabilities, costs and fees (including legal fees on a full indemnity basis) arising out of the Purchaser's failure to pay any such taxes. If available at law, the Vendor and the Purchaser will jointly execute on or prior to the Time of Closing an election under Section 167 of the *Excise Tax Act* (Canada) to permit the Purchased Assets to be transferred free of HST and the Vendor and the Purchaser will file such elections with the Canada Revenue Agency with their respective HST returns for the period in which the Closing Date occurs.

3.6 Realty Taxes

- (a) Notwithstanding any other provision of this Agreement, the Purchaser acknowledges and agrees that there shall be no adjustment in favour of the Purchaser for any increase in realty taxes for the Property resulting from changes in the assessed value of the Property in respect of any period prior to the Closing Date. Without limiting the foregoing, the Purchaser acknowledges and agrees that, notwithstanding any other provision of this Agreement, the Receiver shall have no obligation or liability of any kind whatsoever for payment of any additional or supplementary taxes that may become payable in respect of the year of Closing and/or prior taxation years as a result of Reassessments.
- (b) In the event that there are any realty tax appeals, reassessments or vacancy rebate applications for any year prior to and including 2020, the Receiver may, at its option, continue such appeals, reassessments and/or applications and shall be entitled to receive any refund, rebate, credit, reimbursement or payment ("**Refund**") resulting therefrom except to the extent that such Refund is properly payable to any tenants of the Property and shall make any payments in respect of realty taxes for the period prior to the Closing Date arising therefrom to the applicable Governmental Authority. Any Refund for the 2020 calendar year (after deduction of out-of-pocket expenses expended by the Purchaser and/or the Receiver in conducting any such appeal, reassessment or application, including any commissions payable to agents or consultants) shall, except to the extent that any portion of such Refund is properly paid to the tenants of the Property, be readjusted as of the Closing Date after the conclusion of any assessment appeal



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or application review. The Purchaser agrees to co-operate with the Receiver with respect to all such appeals, reassessments and applications and to provide the Receiver with reasonable access to any necessary documents or materials required to continue any such appeals, reassessments or applications. To the extent the Purchaser receives any Refund relating to realty taxes (whether in cash, by credit on its current tax bill or otherwise) for the period prior to the Closing Date, the Purchaser shall forthwith pay an amount equal to the Refund to the Receiver and/or endorse and deliver to the Receiver all such Refund payment cheques forthwith upon receipt; provided that in all cases, readjustments with the Tenants as the result of any Refunds may be effected by the Purchaser prior to the payment of any Refund to the Receiver or to the Purchaser (subject to the prior approval of the Vendor acting reasonably) and the amount otherwise owing to the Vendor in accordance with the foregoing shall be reduced by any amount paid to any tenants as a result of any such adjustments. To the extent the Receiver receives payment of any Refund relating to realty taxes for the period prior to the Closing Date which is properly payable to tenants of the Property, the Receiver shall hold such Refund in trust for the tenants entitled thereto and shall promptly pay the amounts owing to the Purchaser in trust, in order that the Purchaser may make such payments to such tenants on account of such Refund (which the Purchaser covenants to do).

- (c) The Purchaser further acknowledges and agrees that the Approval and Vesting Order to be requested by the Receiver shall provide that title to the Purchased Assets shall vest in the Purchaser subject to any potential liability for increased realty taxes (including, without limitation, any increases in taxes and/or supplementary taxes in respect of the current taxation year and taxation years *prior* to Closing) as a result of the Reassessments and that all such potential liability for increased and/or supplementary taxes will be a "permitted encumbrance" under the Approval and Vesting Order.

3.7 Registration and Other Costs

Except as otherwise provided herein, each of the Receiver and the Purchaser shall be responsible for its own costs (including without limitation costs of its solicitors) in respect of this Transaction. The Purchaser shall be responsible for the cost of registering notice of the Approval and Vesting Order, including all applicable land transfer taxes, and for any other sales and transfer taxes (including but not limited to Provincial Sales Tax and HST) payable in connection with the transfer of the Purchased Assets to the Purchaser pursuant hereto.

3.8 Electronic Registration

If the Transaction will be completed by electronic registration (through use of the "Teraview Electronic Registration System" or "TERS") the following provisions shall govern:

- (a) The Purchaser shall retain a solicitor who is authorized to use the Teraview Electronic Registration System and who is in good standing with the Law Society of Upper Canada. The Receiver and the Purchaser shall cause their

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respective solicitors to enter into a document registration agreement ("DRA") in the most recent form adopted by the Joint LSUC-CBAO Committee on Electronic Registration of Title Documents to govern the electronic registration of any documents intended to be registered in connection with the completion of this Transaction.

- (b) The delivery and exchange of the closing documents and money provided for in this Agreement and the release of them to the Purchaser and the Receiver, as the case may be: (i) shall not occur at the same time as registration of the Approval and Vesting Order (and any other documents intended to be registered in connection with the completion of this Transaction); and (ii) shall be governed by the DRA, pursuant to which the solicitor receiving the closing documents and/or funds will be required to hold them in escrow and will not be entitled to release them except in accordance with the terms of the DRA.
- (c) Any documents not intended for registration on title to the Property may be delivered to the other party's solicitor by facsimile transmission (or by a similar system reproducing the original), provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto. The party transmitting any such documents shall also deliver the original documents to the recipient party's solicitor within two (2) Business Days after the Closing Date, if the delivery of the original documents has been requested by the recipient party or its solicitor.
- (d) If the Purchaser is unable to register the Approval and Vesting Order electronically on the Closing Date as the result of any malfunction, delay or temporary unavailability of the Teraview Electronic Registration System, then the Closing Date shall be automatically extended until the next day on which such system is operating so as to permit electronic registrations in the Land Titles Office.
- (e) Notwithstanding anything contained in this Agreement or in the DRA to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by either party (in this paragraph called the "**Tendering Party**") upon the other party (in this paragraph called the "**Receiving Party**") when the solicitor for the Tendering Party has:
 - (i) delivered all applicable closing documents and funds to the Receiving Party's solicitor in accordance with the provisions of the DRA;
 - (ii) advised the solicitor for the Receiving Party in writing that the Tendering Party is ready, willing and able to complete the Transaction in accordance with the provisions of this Agreement;
 - (iii) completed all steps required by TERS to complete the Transaction that can be performed or undertaken by the Tendering Party's solicitor

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without the cooperation or participation of the Receiving Party's solicitor, and specifically when the Tendering Party's solicitor has electronically "signed" the Application to Register the Approval and Vesting Order (and any other registrable documents) for completeness and granted "access" to the Receiving Party's solicitor (but without the Tendering Party's solicitor releasing such documents for registration by the Receiving Party's solicitor);

without the necessity of personally attending upon the Receiving Party or the Receiving Party's solicitor with the documents and/or funds and without the requirement to have an independent witness evidencing the foregoing.

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 By Vendor

The Vendor represents, warrants and covenants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations, warranties and covenants in connection with the terms and conditions of this Agreement:

- (a) subject to obtaining the Approval and Vesting Order prior to Closing, on Closing the Vendor shall have the power and authority to sell the Purchased Assets to the Purchaser, in accordance with the terms and conditions of this Agreement and the Approval and Vesting Order;
- (b) the Vendor has done no act to encumber the Purchased Assets except in accordance with the Appointment Order and has not disposed of the Purchased Assets; and
- (c) the Vendor is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada).

4.2 No Other Representations

Except as set forth in this Agreement, the Vendor makes no covenants, representations or warranties whatsoever, including with respect to the condition of the Purchased Assets and the sufficiency or condition of the Debtor's title thereto.

4.3 By Purchaser

The Purchaser represents, warrants and covenants to the Vendor that:

- (a) the Purchaser is duly incorporated, organized and a subsisting corporation under the laws of the Province of Ontario and the Purchaser has all necessary corporate power and authority to enter into this Agreement and carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been duly authorized by all

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necessary corporate action on the part of the Purchaser and this Agreement and the documents to be delivered pursuant hereto are valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their respective terms;

- (b) the Purchaser is not a non-Canadian for the purposes of the *Investment Canada Act* (Canada) and at the Time of Closing will be a registrant for the purposes of the *Excise Tax Act* (Canada) with a valid HST number; and
- (c) until the completion of the Transaction at Time of Closing, all documents and information received by the Purchaser, its representatives, auditors or counsel, from the Vendor or the Debtor or their respective representatives, auditors or counsel, will be treated as strictly confidential and will not be disclosed to others by the Purchaser except to the Purchaser's agents, employees, professional advisors and bankers on a "need to know" basis for the purposes of the Transaction. The Purchaser further agrees that unless and until the terms of this Agreement become public knowledge in connection with the Approval and Vesting Order, the Purchaser shall keep such terms confidential and shall not disclose the same to anyone except the Purchaser's agents, employees, professional advisors or bankers on a "need to know" basis in connection herewith and then only on the basis that such persons also keep such terms confidential as aforesaid.

4.4 Representations and Warranties on Closing Date

All representations and warranties set forth in this Article 4 will be true and correct on and as of the Time of Closing with the same force and effect as if made on and as of such date.

4.5 No Finder's Fee

Each of the Parties represents and warrants to each other that such Party has not taken, and agrees that it will not take any action that would cause any other Party to become liable to any claim or demand for a brokerage, finder's fee or other similar payment in regard to the Transaction.

4.6 Survival of Covenants, Representations and Warranties

To the extent that they have not been fully performed at or prior to the Time of Closing, the covenants contained in this Agreement and in all certificates and documents delivered pursuant hereto will survive the Closing contemplated hereby.

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**ARTICLE 5
ASSUMPTION OF LIABILITIES**

5.1 Assumed Obligations

The Purchaser shall not assume any Liabilities of the Debtor or the Vendor other than as expressly set out herein. The Purchaser agrees to assume each of the following on Closing:

- (a) Subdivision, site-plan, development or other municipal agreements;
- (b) Minor encumbrances, including without limitation, servitudes, encroachments, easements, rights-of-way, restrictive covenants or other similar rights in land granted to or reserved by other persons, rights-of-way for sewers, electric lines, telegraphs and telephone lines and other similar purposes;
- (c) Instrument No. YR2742984 – BYLAW - The Corporation of the Town of Markham;
- (d) Reference Plan No. 65R410839;

5.2 Tenancies

(a) The Purchaser agrees to assume any existing tenancies in accordance with the terms of the tenancies. The Receiver makes no representations whatsoever with respect thereto and the Receiver shall provide to the Purchaser on closing only documentation relating to those tenancies which it has in its possession. The Receiver shall not be required to provide any documentation signed by the tenants confirming the status of the tenancies or provide a notification to the tenants regarding future rent payments. The Receiver shall further not be obliged to credit on closing any current or pre-paid rent, or other adjustments in favour of the Purchaser other than for rent actually received by the Receiver

(b) On Closing, the Receiver shall deliver to the Purchaser: (i) copies of all leases in its possession or control; and (ii) directions to tenants (which need not be individually addressed or individually signed) authorizing and directing the tenants to pay future rents to the Purchaser or its management agent if it so directs.

ARTICLE 6- CONDITIONS

6.1 Conditions in Favour of the Purchaser

The Purchaser's obligations under this Agreement are conditional upon the performance of or compliance with the following terms and conditions (which are included in this Agreement for the benefit of the Purchaser and where applicable, may be waived in writing in whole or in part by the Purchaser at any time):

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- (a) the representations and warranties of the Vendor set forth in Article 4 hereof shall be true and correct as of the Time of Closing and have the same force and effect as if made at and as of such time;
- (b) at the Time of Closing, no order will have been issued by a court of competent jurisdiction which remains in effect, and no action or proceeding will have been instigated which remains pending before a court of competent jurisdiction, to prevent or otherwise adversely affect the purchase and sale of the Purchased Assets or any portion thereof pursuant to this Agreement, and;
- (c) the Vendor shall have executed and delivered all necessary agreements, instruments and documentation, and complied with all the terms, covenants and conditions of this Agreement to be performed or complied with by the Vendor to conclude the Transaction at or prior to the Time of Closing.

6.2 Purchaser's Right to Terminate

If any of the conditions contained in Section 6.1 are not performed or fulfilled at or prior to the Time of Closing to the reasonable satisfaction of the Purchaser or where applicable, waived by the Purchaser, the Purchaser may terminate this Agreement by notice to the Vendor, and in such event the Deposit shall be returned to the Purchaser without interest, and the Vendor and the Purchaser will be released from all obligations hereunder.

6.3 Conditions in Favour of the Vendor

The Vendor's obligations under this Agreement are conditional upon the performance of or compliance with the following terms and conditions (which are included in this Agreement for the benefit of the Vendor and where applicable, may be waived in writing in whole or in part by the Vendor at any time):

- (a) the representations and warranties of the Purchaser set forth in Article 4 hereof shall be true and correct as of the Time of Closing and have the same force and effect as if made at and as of such time;
- (b) the Purchaser shall have executed and delivered all necessary agreements, instruments and documentation and complied with all the terms, covenants and conditions of this Agreement to be performed or complied with by the Purchaser to conclude the Transaction at or prior to the Time of Closing;
- (c) at the Time of Closing, no order will have been issued by a court of competent jurisdiction which remains in effect, and no action or proceeding will have been instigated which remains pending before a court of competent jurisdiction, to prevent or otherwise adversely affect the purchase and sale of the Purchased Assets or any portion thereof pursuant to this Agreement;
- (d) the Purchaser shall have received any required consents to the assignment and its intended use of the Purchased Assets to the Purchaser from the applicable Governmental Authorities;

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- (e) no legal or regulatory action or proceeding will be pending or threatened by any Person to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby.

6.4 Vendor's Right to Terminate

If any of the conditions contained in Subsections 6.3(a) or 6.3(b) are not performed or fulfilled at or prior to the Time of Closing to the satisfaction of the Vendor or where applicable, waived by the Vendor, the Vendor may terminate this Agreement by notice to the Purchaser, and in such event the Vendor and the Purchaser will be released from all obligations hereunder other than in respect of the Deposit. If any of the conditions contained in Subsections 6.3(c), 6.3(d) or 6.3(e) are not performed or fulfilled at or prior to the Time of Closing to the satisfaction of the Vendor or where applicable, waived by the Vendor, the Vendor may terminate this Agreement by notice to the Purchaser, and in such event the Deposit shall be returned to the Purchaser without interest, and the Vendor and the Purchaser will be released from all obligations hereunder.

ARTICLE 7 -CLOSING

7.1 Closing Date

The Closing of the Transaction will take place at the Time of Closing on the Closing Date at the offices of the Vendor's Solicitors, 145 King Street West, Suite 2200, Toronto, Ontario.

7.2 Deliveries at the Closing by the Vendor

At or prior to the Time of Closing, the Vendor shall execute and/or deliver to the Purchaser:

- (a) an issued or entered copy of the Approval and Vesting Order;
- (b) a statutory declaration or certificate of a senior officer of the Receiver (in either case without personal liability on the part of the individual making such certificate or declaration) regarding Section 116 of the *Income Tax Act* (Canada) to the effect that the Receiver is not a "non-resident" of Canada within the meaning of the Act;
- (c) a certificate of a senior officer of the Receiver (without personal liability on the part of the individual making such certificate) certifying that each of the representations and warranties of the Receiver set forth in Section 4.1 are true and accurate in all material respects on the Closing Date, except as disclosed therein;
- (d) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

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7.3 Deliveries at the Closing by the Purchaser

At or prior to the Time of Closing, the Purchaser shall execute and/or deliver to the Vendor:

- (a) payment of the balance of the Purchase Price required to be paid on Closing pursuant to Section 3.1;
- (b) evidence satisfactory to the Vendor of payment of all taxes required to be paid by the Purchaser pursuant to Section 3.5 or valid purchase exemption certificates pursuant to Section 3.5;
- (c) the indemnity of the Vendor by the Purchaser pursuant to Section 8.4;
- (d) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

**ARTICLE 8
ADDITIONAL AGREEMENTS OF THE PARTIES**

8.1 Proceedings for the Approval and Vesting Order

- (a) The Vendor shall provide the Purchaser and its counsel with a reasonable opportunity to comment upon the form of the Approval and Vesting Order and supporting material to be filed in Court by the Vendor relating to the Transaction. The Vendor agrees that all such documents shall be consistent with the terms and conditions of this Agreement. The Vendor shall immediately provide the Purchaser with copies of all motion materials served upon it relating to this Agreement and the Purchased Assets.
- (b) The Purchaser shall, at its own expense, promptly provide to the Vendor all information, documents and assistance within the Purchaser's possession or control as the Vendor may reasonably require to apply for the Approval and Vesting Order.

8.2 Co-operation and Transition

The Parties shall co-operate fully in good faith with each other and their respective legal advisors, accountants and other representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement.

8.3 Possession of Assets

On the Closing Date, the Purchaser shall take possession of the Purchased Assets at the Time of Closing. Notwithstanding anything to the contrary contained in this Agreement, possession of the Property shall be given to the Purchaser (or Permitted Assign) in accordance with the terms of the Approval and Vesting Order



8.4 Tax Indemnity

The Purchaser shall indemnify and save the Vendor harmless for and from all losses, costs and damages suffered by the Vendor as a result of any tax, interest and/or penalty levied against the Vendor by Canada Revenue Agency or any other Governmental Authority in connection with the Transaction, including any requirement of the Vendor to remit to the Receiver General of Canada any HST, interest and/or penalties on the Purchase Price, including any adjustments thereto.

8.5 Change in Circumstances

Notwithstanding any other provision of this Agreement, no default by any person other than the Vendor under any lease, Permitted Encumbrances or contract (including, without limitation, any bankruptcy or event of insolvency) or repudiation or termination thereof other than as a result of the default of the Receiver or proceeding for relief therefrom, at any time after the Acceptance Date, and no other change, other than as a result of the default by the Receiver of any of its obligations under this Agreement, adverse to the Purchased Assets or the Property or their value at any time after the Acceptance Date (subject to the provisions of Section 9.10) shall entitle the Purchaser to terminate this Agreement or to an abatement of the Purchase Price or any other right or remedy whatsoever, the Purchaser agreeing to accept the risk of the foregoing.

ARTICLE 9 -GENERAL**9.1 Notices**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by prepaid mail, by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with this section. Notices and other communications shall be addressed as follows:

- (a) if to the Vendor:

Pollard & Associates Inc.
31 Wright Street
Richmond Hill, Ontario
L4C 4A2



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Attention: Angela Pollard
E-mail: akpollard@pollardandassoc.ca
Fax: 905-884-4310

with a copy to:

Minden Gross LLP
145 King Street West, Suite 2200
Toronto, Ontario
M5H 4G2

Attention: Timothy R. Dunn
E-mail: tdunn@mindengross.com
Fax: 416-864-9223

(b) if to the Purchaser at:

Henry K. Hui & Associates
Barristers, Solicitors & Notaries
350 Highway 7 East, Suite 301
Richmond Hill, Ontario
L4B 3N2

Attention: Henry K. Hui
E-mail: henryhui@hkhlawyers.com
Fax: 905-881-1222

with a copy c/o:

Laishley Reed LLP
3 Church Street, Suite 505
Toronto, Ontario

Attention: Calvin J. Ho
E-mail: cho@laishleyreed.com
Fax: 416-981-0060

9.2 Entire Agreement

Except as specifically set forth in this Agreement, there are no representations, warranties, agreements or covenants made by any of the Parties hereto and not contained herein and this Agreement supersedes any prior agreement, whether written or oral, between the Parties and constitutes the entire agreement of the Parties with respect to the purchase and sale of the Purchased Assets.

9.3 Further Assurances

Each of the Parties hereto will, from time to time and at all times hereafter upon every reasonable written request to do so, make, do, execute and deliver, or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the opinion of any Party or counsel for any Party for more effectually implementing and carrying out the true intent and meaning of this Agreement.

9.4 Successors and Assigns

This Agreement will be binding upon the Parties hereto, their respective heirs, executors, administrators, successors or permitted assigns. The Purchaser shall not assign the Agreement without the Vendor's prior written approval, acting reasonably.

9.5 Counterparts

This Agreement may be executed in several counterparts, including by facsimile or other means of electronic communication and all such counterparts will constitute one agreement, binding on the Parties hereto, notwithstanding that all the Parties are not signatories to the original or the same counterpart.

9.6 No Waiver of Breach

No failure of any Party to this Agreement to pursue any remedy resulting from a breach of this Agreement by another Party will be construed as a waiver of that breach by that Party or any other Party or as a waiver of any subsequent or other breach.

9.7 Solicitors as Agents and Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Receiver's Solicitors on behalf of the Receiver and any tender of Closing Documents (other than documents required to be registered electronically) may be made upon the Receiver's Solicitors and the Purchaser's Solicitors, as the case may be, at their respective offices or in the relevant Land Registry Office.

9.8 Expenses and Legal Fees

Each of the Parties hereto will assume the payment of and be responsible for all expenses, costs and legal fees incurred by reason hereof by such Party whether incurred prior to or subsequent to the date hereof and neither Party will be obligated in any way whatsoever to pay or contribute to any such expenses or costs incurred by the other Party hereto.

9.9 Time of Essence

Time will be of the essence of this Agreement.



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9.10 Risk

Up to the Time of Closing, all risk of loss or damage by fire or any other cause or hazard to the Purchased Assets will remain with the Vendor, which will hold all insurance policies and proceeds thereof in trust for the Debtor and the Purchaser. In the event of any material destruction or damage by fire or any other cause or hazard to any of the Purchased Assets prior to the Time of Closing, which destruction or damage is of such a nature that the Purchaser determines that it no longer wishes to complete the Transaction, acting in its sole and unfettered discretion, then the Purchaser, at its sole option, may within five (5) days of receiving written notice of such destruction or damage, which written notice refers to this provision of this Agreement, terminate this Agreement without liability or obligation to the Vendor. Forthwith thereafter, the Deposit, without interest, shall be returned to the Purchaser.

9.11 Acceptance

The offer represented by this Agreement shall be open for acceptance by the Vendor until 5:00 p.m. on May 12, 2020 subject to Court approval. Any such acceptance shall be effected by the Vendor delivering a fully executed copy or counterpart of this Agreement to the Purchaser. The Purchaser shall not be at liberty to retract, withdraw, vary or countermand an offer once this Agreement is delivered by the Purchaser to the Vendor.

IN WITNESS WHEREOF the Parties hereto have duly executed and delivered this Agreement as of the date first above written.

POLLARD & ASSOCIATES INC., solely in its capacity as Court-appointed receiver and manager of 31 Victory Development Inc. and on behalf of the Debtor and not in its personal capacity and without any personal or corporate liability

Per: _____

Name: *Angela K. Pollard*Title: *President*

I have authority to bind the Vendor

CHENGYI WEI, in trust for a company to be incorporated

Per: _____

Name:

Title:

I have authority to bind the Purchaser

#4167419 v3 | 4115376

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SCHEDULE "A"
DESCRIPTION OF PURCHASED ASSETS

PIN 02953-0029 (LT)

PT E1/2 LT 2 CON S MARKHAM AS IN R410839 EXCEPT R438796 (THIRDLY); CITY OF
MARKHAM

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SCHEDULE "B"
EXCLUDED ASSETS

NONE

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TAB "N"

Confidential Appendix 1
to the First Report of Pollard & Associates Inc.
in its capacity as Receiver dated May 25, 2020

Agreement of Purchase and Sale
(Filed Separately)

TAB "O"

Confidential Appendix 2
to the First Report of Pollard & Associates Inc.
in its capacity as Receiver dated May 25, 2020

**Summary of Offers received by the Receiver
(Filed Separately)**

TAB "P"

Confidential Appendix 3
to the First Report of Pollard & Associates Inc.
in its capacity as Receiver dated May 25, 2020

**Colliers Appraisal
(Filed Separately)**

B E T W E E N

VECTOR FINANCIAL SERVICES LIMITED
Applicant

-and-

31 VICTORY DEVELOPMENT INC.
Respondent

Court File No. CV-19-627153-00CL
Estate File No. 31-4588747

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at TORONTO

MOTION RECORD OF
POLLARD & ASSOCIATES INC.
(returnable June 10, 2020)

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Sepideh Nassabi (LSO# 60139B)
snassabi@mindengross.com
Tel: 416-369-4323
Fax: 416-864-9223

Lawyers for the Receiver, Pollard & Associates Inc.