ksv advisory inc.

Second Report of KSV Kofman Inc. as Receiver of Mady Steeles 2011 Ltd.

July 31, 2015

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COURT FILE NO: CV-15-10897-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COMPUTERSHARE TRUST COMPANY OF CANADA

APPLICANT

- AND -

MADY STEELES 2011 LTD.

RESPONDENT

SECOND REPORT OF
KSV KOFMAN INC.
AS RECEIVER

JULY 31, 2015

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as the Court-appointed receiver (the "Receiver") of all the lands and premises municipally described as 5789 – 5951 Steeles Avenue East, Toronto, Ontario (the "Lands") and all the present and after-acquired assets, undertakings and properties of Mady Steeles 2011 Ltd. (the "Company") in any way relating to the Lands (collectively, and together with the Lands, the "Property").

2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on March 5, 2015 (the "Receivership Order"), Duff & Phelps Canada Restructuring Inc. ("D&P") was appointed as the Receiver of the Property. A copy of the Receivership Order is attached as Appendix "A".

3. On June 30, 2015, D&P was acquired by KSV (the "Effective Date"). Pursuant to an Order of the Court made on July 10, 2015 (the "Transfer Order"), D&P's ongoing mandates were transferred to KSV, including acting as the Receiver in these proceedings. The professionals overseeing this mandate prior to the Effective Date remain unchanged. A copy of the Transfer Order is attached as Appendix "B".

4. The primary purposes of these proceedings are to conduct a sale process for the Property under the supervision of a Court-appointed receiver ("Sale Process"), to implement any resulting sale transaction(s) and to distribute the proceeds to creditors in accordance with their priorities.

1.1 Purposes of this Report

1. The purposes of this Report are to:

   a) provide information about the Company and these receivership proceedings;

   b) summarize the results of the Sale Process;

   c) summarize a proposed transaction (the "Transaction") with Holborn Property Investments Inc., in trust (the "Purchaser"), whereby the Receiver is recommending the sale of the Purchased Assets (as defined below) pursuant to an agreement of purchase and sale dated July 16, 2015 between the Receiver and the Purchaser (the "APS");

   d) set out the Receiver's recommendation regarding a distribution to Computershare Trust Company of Canada ("Computershare") following the completion of the Transaction;

   e) provide an overview of the Receiver's activities since the date of the Receivership Order;

   f) provide the rationale for the Receiver being discharged upon the filing of a certificate with this Court (the "Discharge Certificate"); and

   g) recommend that the Court issue an Order:

      i. approving the Transaction;

      ii. vesting title in and to the Purchased Assets in the Purchaser, or as it directs or assigns, free and clear of all liens, claims and encumbrances, except the Permitted Encumbrances (as defined in the APS), upon filing of a certificate confirming, among other things, completion of the Transaction;

      iii. authorizing and directing the Receiver to repay the amounts advanced by the Trez Group (as defined below) under the Receiver's Borrowings Charge;

      iv. authorizing and directing the Receiver to distribute to Computershare certain funds on account of the Company's secured indebtedness for principal, interest and costs owing to Computershare;

      v. sealing the confidential appendices to this Report until further Order of the Court;

vi. approving the Receiver's activities, as described in this Report;

vii. approving the fees and disbursements of the Receiver and its legal counsel, Aird & Berlis LLP ("A&B"), from February 17, 2015 to July 27, 2015, plus an accrual of $100,000 for fees incurred or to be incurred by the Receiver and A&B to the completion of these proceedings, exclusive of HST and disbursements (the "Fee Accrual");

viii. discharging the Receiver upon the filing of the Discharge Certificate; and

ix. releasing, upon the Receiver's discharge, the Receiver from any and all liability that KSV[1] now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KSV while acting as Receiver, save and except for any gross negligence or wilful misconduct on the Receiver's part.

1.2 Currency

1. All currency references in this Report are in Canadian dollars.

2.0 Background

1. The Company purchased the Lands on December 15, 2011. The Receiver understands that the Company holds the Lands on behalf of its beneficial owners, Mady Steeles Investments Ltd. (90%) and 2118278 Ontario Limited (10%).

2. The Lands are approximately 39 acres. The Company's plan was to develop the Lands into a 257,000 square foot commercial retail site consisting of 23 leasable units. As part of its pre-construction efforts, the Company entered into leases or offers to lease with 11 tenants. Some of these leases appear to have been terminated; construction on the Lands has not commenced.

3. Further information about the Company and its background is provided in the Affidavit of Noah Mintz, Vice President of Trez Capital (2011) Corporation ("TCC", and together with affiliates of TCC, the "Trez Group") sworn February 26, 2015 in connection with these proceedings (the "Mintz Affidavit"). A copy of the Mintz Affidavit and other materials filed in these receivership proceedings can be found on the Receiver's website at:

   http://www.ksvadvisory.com/insolvency-cases/mady-steeles-2011-ltd/

[1] Including activities carried out by D&P prior to the Effective Date.

3.0 Sale Process

3.1 Sale Process Overview

1. Pursuant to the Receivership Order, the Receiver was authorized to solicit proposals for the listing of the Lands by an agent, provided that the retention of a listing agent and the implementation of a sale process requireed Court approval.

2. On April 1, 2015, after conducting a process to select a listing agent, the Receiver brought a motion to, *inter alia*, approve the Sale Process, including the retention of Cushman & Wakefield Ltd. ("C&W") as listing agent. The retention of C&W and the Sale Process were approved pursuant to an Order of the Court made on April 1, 2015 (the "Sale Process Order"), a copy of which is attached as Appendix "C".

3. As outlined in the Receiver's first report to Court dated March 25, 2015 (the "First Report"), prior to retaining C&W, the Receiver consulted each of the mortgagees on the Lands, being Computershare (in the case of Computershare, the Receiver consulted with the Trez Group),[2] Northbridge Financial Corporation ("Northbridge") and 2307760 Ontario Limited ("230", and together with Computershare and Northbridge, the "Mortgagees") regarding the retention of a listing agent and the proposed sale process. In this regard:

   - the Trez Group advised that it consented to the retention of C&W;

   - Northbridge advised that it would not oppose the retention of C&W provided that C&W canvassed parties in China, as Northbridge felt that buyers located in China may be interested in the opportunity, and provided that C&W highlighted in the marketing materials different approaches to developing the Lands, including severing and re-zoning the Lands; and

   - 230 indicated that it would support Northbridge's position.

4. In order to address the feedback from Northbridge and 230, the Receiver instructed C&W to include in its marketing efforts a focus on the Chinese market and alternative redevelopment opportunities.

[2] The Trez Group provided financing to assist the Company to purchase the Lands. The loan was transferred to Computershare as custodian on behalf of the Trez Group. Computershare acts in accordance with a custodian agreement pursuant to instructions given to it by the Trez Group.

5. A summary of the Sale Process conducted by the Receiver, with the assistance of C&W, is as follows:

Pre-marketing Phase

a) Immediately following the making of the Sale Process Order, the Receiver and C&W assembled information to be used for due diligence purposes. C&W and the Receiver had previously prepared a list of prospective purchasers, including investors and developers;

b) C&W and/or the Receiver, as applicable, prepared:

- an interest solicitation letter detailing the acquisition opportunity ("Interest Solicitation Letter");
- a confidentiality agreement ("CA");
- a data room, which contained, *inter alia*, environmental reports on the Lands, leases and drafts of leases between the Company and prospective tenants for the Lands and a summary of the Company's development plan for the Lands;
- a form of asset purchase agreement, a copy of which was made available in the data room; and
- a Confidential Information Memorandum ("CIM"), which included a summary of the Lands and the basis on which prospective purchasers were recommended to submit an offer.

c) In advance of the commencement of the Sale Process, Northbridge was provided with a draft of the CIM. Northbridge provided comments regarding redevelopment opportunities for the Lands, which the Receiver included in the CIM.

Marketing Phase

a) On April 16, 2015, C&W circulated the Interest Solicitation Letter to over 5,000 prospective purchasers. The prospective purchasers were comprised of: (i) parties in C&W's database which have an interest in purchasing commercial real estate in the Greater Toronto Area (the "GTA"); and (ii) parties that had contacted the Receiver, Northbridge and the Trez Group regarding the Lands prior to the commencement of the Sale Process. The CA was attached to the Interest Solicitation Letter. Interested parties were asked to sign the CA in order to obtain a copy of the CIM and access to the data room;

b) C&W presented the acquisition opportunity to its senior management in China and the United States. The Receiver understands that C&W's US and Chinese offices contacted approximately 25 strategic and financial parties which had previously expressed an interest in purchasing GTA commercial real estate;

c) On April 16, 2015, the listing was posted on Toronto Real Estate Board Multiple Listing Services ("MLS"). Prospective purchasers were encouraged to submit their best offer for the Lands;

d) The Lands were advertised in the following publications:

- on April 23, 2015 and April 28, 2015, in the national edition of *The Globe and Mail* newspaper; and

- from April 29, 2015 to May 3, 2015 and from May 8, 2015 to May 10, 2015, in *The Chinese Ming Pao* Newspaper;

e) In order to compare each offer received, prospective purchasers were encouraged to submit their offers in the form of the asset purchase agreement provided in the data room, and to redline any changes to the standard form asset purchase agreement; and

f) The deadline to submit offers was May 13, 2015 ("Offer Deadline").

3.2 Sale Process Results

1. A summary of the results of the Sale Process is as follows:

   - C&W received hundreds of enquiries regarding the Lands;

   - 28 parties executed the CA, and were provided access to the data room and a copy of the CIM; and

   - six parties submitted offers prior to the Offer Deadline.

2. The Receiver invited the four parties with the highest offers to participate in a second round of bidding. Second round bids were due on or before May 19, 2015 (the "Second Round Deadline"). All four parties submitted second offers. A summary of the offers received in each round of bidding is provided in Confidential Appendix "1" (the "Offer Summary"). The Receiver's rationale for requesting that the Offer Summary be sealed is provided in Section 4.1 below.

3. On May 28, 2015, after the Second Round Deadline, C&W advised the Receiver that it received an unsolicited offer for the Property ("Unsolicited Offer"). The Receiver advised C&W that it would not review the terms of the Unsolicited Offer until and unless the Sale Process was terminated, nor did it want to know any terms of the Unsolicited Offer. Accordingly, C&W did not provide, and the Receiver was not privy to, the terms of the Unsolicited Offer during the Sale Process then underway.

4. On June 1, 2015, the Receiver rejected the five lowest offers (which includes the offers from the two parties that were not invited to participate in the second round); it continued to negotiate with the remaining bidder from the initial round of bidding ("Interested Party"). The Receiver's negotiations with the Interested Party were unsuccessful and, accordingly, on June 11, 2015, the Receiver rejected its offer. The Receiver also terminated the Sale Process on that date by sending an email to the Trez Group and its counsel, C&W and A&B. A copy of the e-mail terminating the Sale Process is attached as Appendix "D".

5. Subsequent to the termination of the Sale Process, the Receiver reviewed the terms of the Unsolicited Offer. The Receiver also received a further offer from the Interested Party subsequent to the termination of the Sale Process.

6. The Receiver and C&W, in consultation with the Trez Group, engaged in lengthy negotiations with both the Purchaser and the Interested Party, which culminated in the APS. The APS was finalized on July 16, 2015 and is subject to Court approval.

4.0 Transaction

1. A summary of the Transaction is as follows:

- **Purchaser:** Holborn Property Investments Inc., in trust;

- **Purchased Assets:** substantially all of the Property, primarily comprised of the Lands (the "Purchased Assets");

- **Purchase Price:** the Receiver is proposing to seal the purchase price. The purchase price will be adjusted for property taxes and other adjustments on closing. The purchase price is to be satisfied in cash and by way of a mortgage payable to the Trez Group, the terms of which are acceptable to the Trez Group;

- **Deposit:** approximately 3% of the purchase price;

- **Excluded Assets:** are comprised of: (i) books and records that do not exclusively or primarily relate to the Purchased Assets; (ii) potential tax refunds; and (iii) all contracts, personal property leases and real property leases entered into by the Company;

- **Representation and Warranties:** consistent with the terms of a standard insolvency transaction, i.e. on an "as is, where is" basis, with limited representations and warranties;

- **Commissions:** the total commission payable to C&W is 0.85% of the purchase price, plus HST. The Purchaser was not represented by an agent and therefore no other commissions are payable in connection with the Transaction;

- **Break Fee and Expense Reimbursement:** if the Transaction is not completed and: (i) the Purchased Assets are sold or otherwise transferred to another party other than the Purchaser or a related party; or (ii) Northbridge Financial or 230 or any of their affiliates enters into legal possession or becomes the legal or beneficial owner of the Lands, or assumes or redeems its security in favour of the Trez Group or Computershare, then in any circumstance, except if the Receiver validly terminates the APS in accordance with the terms of the APS, the Trez Group must pay the Purchaser $1 million plus reasonable legal fees and disbursements incurred by the Purchaser with respect to the Transaction (the "Break Fee"). The Break Fee is an obligation of the Trez Group and is not an obligation of the Receiver and, as such, the Trez Group executed the APS acknowledging, among other things, its obligations related to the Break Fee;

- **Closing:** September 23, 2015, or such other date as may be agreed to in writing by the Receiver and the Purchaser; and

- **Material Conditions:** The material conditions precedent to the closing are:

  - there shall be no claim, litigation or proceedings by a government organization against the Receiver or the Purchaser or involving the Purchased Assets that prevents the completion of the Transaction;

  - there shall be no new work orders or similar orders and no new encumbrances registered on title to the Lands or affecting title to the Lands arising or registered after the date of the APS, which cannot be vested out pursuant to an approval and vesting order;

  - there shall be no new environmental issue that causes a material adverse effect on the lands and there should not be any other material adverse change to the condition or operation of the Lands;

  - the Trez Group shall have confirmed to the Receiver that it has obtained all documentation it requires in connection with the new mortgage; and

  - the Court shall have issued an approval and vesting order.

2. A redacted version of the APS is attached as Appendix "E". An unredacted version of the APS is provided in Confidential Appendix "2".

4.1 Confidentiality

1. The Receiver respectfully requests that the Offer Summary and the unredacted APS be filed with the Court on a confidential basis and be sealed ("Sealing Order") as the documents contain confidential information. If the terms of the APS and the Offer Summary are not sealed, the information may negatively impact realizations on the Purchased Assets in the event that the Transaction does not close for any reason. The Receiver is not aware of any party that will be prejudiced if the information is sealed. Accordingly, the Receiver believes the proposed Sealing Order is appropriate in the circumstances.

4.2 Recommendation

1. For the following reasons, the Receiver recommends that the Court issue an Order approving the Transaction and vesting title to the Purchased Assets in the Purchaser:

    a) the Sale Process was conducted on a basis consistent with the Sale Process Order;

    b) the local and international markets were widely canvassed using several marketing techniques, including direct solicitation of prospective purchasers by C&W, newspaper advertisements in national and other publications and listing the property on MLS. C&W also introduced this opportunity to its extensive list of contacts interested in commercial real estate in the GTA;

    c) prior to the commencement of the Sale Process, Northbridge requested that the Receiver canvass prospective purchasers based in China as part of the Sale Process. C&W did so by using its China-based personnel to approach parties located in China who had expressed an interest in purchasing commercial real estate in the GTA, and by placing several advertisements in publications that target the Chinese community;

    d) Northbridge also requested that the marketing materials highlight possible redevelopment opportunities for the Lands. In this regard, the Receiver consulted Northbridge during the preparation of the marketing materials and incorporated Northbridge's comments into the marketing materials;

    e) the Receiver, with the assistance of C&W, engaged in extensive negotiations with respect to the leading bidders in the process;

    f) C&W is familiar with the local commercial real estate market and is of the view that the Transaction is the best one available in these circumstances;

    g) C&W utilized a team of brokers with significant experience in commercial real estate in the GTA and globally, including China and the US;

h) entering into the Transaction will enable the Receiver to complete its administration of the receivership proceedings, which would eliminate ongoing professional fees. Absent the Transaction, a protracted marketing period will continue to be necessary. The ongoing professional fees would erode the proceeds available for distribution with no certainty that a superior transaction could be completed;

i) the value of the Transaction represents the highest and best offer received; and

j) the Trez Group has consented to the Transaction. The Trez Group, through Computershare, holds the first registered mortgage on the Lands, and will incur a shortfall on its advances to the Company, should the Transaction be approved and close.

2. Based on the foregoing, the Receiver recommends that this Court approve the Transaction and authorize the Receiver to execute any ancillary document necessary to complete the Transaction.

5.0 Distribution

5.1 Mortgagees

1. The following mortgages are registered on title to the Lands:

   a) a mortgage in favour of Computershare in the amount of approximately $41 million as at July 28, 2015, including principal and interest, but excluding certain costs;

   b) a subsequently registered mortgage in favour of Northbridge in the principal amount of $15 million; and

   c) a subsequently registered mortgage in favour of 230 in the principal amount of $6.55 million.

2. Based on the proceeds contemplated by the Transaction, the Trez Group will incur a shortfall on its mortgage to the Company.

3. During the course of the Sale Process, the Receiver kept the Mortgagees regularly apprised of the status of the Sale Process, the offers received and the Receiver's expectations regarding their levels of recovery. The Mortgagees have been served with the Receiver's motion materials.

5.2 Security Opinion

1. At the request of the Receiver, A&B provided the Receiver with an opinion on the validity and enforceability of Computershare's security. The opinion provides that, subject to the standard assumptions and qualifications contained therein, Computershare holds a valid and perfected security interest in the Company's business and assets as set out in its security documents, and that Computershare's mortgage with respect to the Lands constitutes a valid and enforceable charge. A copy of the opinion is attached as Appendix "F".

5.3 Proposed Distribution

1. The Receiver is seeking approval to make a distribution to Computershare from the proceeds of the Transaction up to the amount of the Company's secured indebtedness owing to Computershare. In this regard, the Receiver notes as follows:

   - the Receivership Order provides for a first charge on the Property in favour of the Receiver and its counsel for their fees and disbursements (the "Receiver's Charge"). The Receiver is satisfied that the cash proceeds of the Transaction are sufficient to satisfy its professional fees, including legal fees;

   - the Receivership Order authorizes the Receiver to borrow up to $300,000 and provides for a corresponding charge on the Property (the "Receiver's Borrowings Charge"), ranking in priority only behind the Receiver's Charge. As of July 28, 2015, approximately $153,000 has been advanced by the Trez Group to the Receiver under Receiver Certificates. The Receiver is satisfied that the cash proceeds from the Transaction are also sufficient to fully satisfy the maximum authorized borrowings under the Receiver's Borrowings Charge;

   - based on the Company's books and records, there do not appear to be potential deemed trust amounts for employee claims, source deductions or sales taxes owing to the Federal or Provincial tax authorities;

   - any property taxes owing on the Lands will be paid on closing; and

   - according to the Land Titles Office (Toronto), several construction liens totalling approximately $2.2 million have been registered on title against some or all of the Lands, pursuant to the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended (the "CLA"). In certain cases, statements of claim and certificates of action have, respectively, been issued and registered on title to some or all of the Lands pursuant to the CLA. All lien claimants have been served with the Receiver's motion materials.

2. Based on the foregoing, the Receiver respectfully recommends that the Court authorize it to make distributions to Computershare up to the full amount of the Company's indebtedness to Computershare without further Order of this Court.

6.0 Professional Fees

1. The fees (excluding disbursements and HST) of the Receiver and A&B from the commencement of the proceedings to July 27, 2015 total approximately $133,207 and $105,614, respectively. Detailed invoices in respect of the fees and disbursements of the Receiver and A&B for this period are provided in the appendices to the affidavits filed by representatives of the Receiver and A&B in the accompanying motion materials.

2. The average hourly rate for the Receiver and A&B for the referenced billing period was $506.20 and $402.80, respectively.

3. The Receiver is of the view that the hourly rates charged by A&B are consistent with the rates charged by law firms practicing in the area of insolvency and restructuring in the Toronto market, and that the fees charged are reasonable in the circumstances.

4. The Receiver believes that the Fee Accrual should be sufficient to cover its fees and the fees of A&B to the completion of these proceedings.

7.0 Discharge of the Receiver

1. The Receiver is requesting that it be discharged upon the filing of the Discharge Certificate as, subject to completion of the Transaction and distributing the proceeds therefrom, its duties and responsibilities under the Receivership Order will have been materially completed.

2. The Receiver is of the view that this relief should avoid the costs of a subsequent motion in these proceedings solely for the purpose of seeking its discharge. The Receiver intends to file the Discharge Certificate once all post-closing matters are dealt with, including distributing the proceeds of the Transaction to Computershare after paying any unpaid post-filing expenses.

8.0 Overview of the Receiver's Activities

1. Since the commencement of these receivership proceedings, the Receiver's activities have included the following:

   - carrying out the Receiver's duties and responsibilities in accordance with the Receivership Order;

   - corresponding with A&B concerning all matters in connection with the receivership proceedings;

   - corresponding with C&W concerning all matters related to the Sale Process;

- reviewing information provided by the Company and the Trez Group in connection with the Property, including:

  - site plan details;
  - projected rent roll for the planned development;
  - property servicing plan;
  - property survey;
  - the Company's draft financial statements;
  - the Section 37 Agreement between the Company and City of Toronto; and
  - offers to lease in connection with the planned development;

- corresponding extensively with key stakeholders in these proceedings, including the secured lenders and their respective legal counsel;

- corresponding with former representatives of the Company in order to obtain background information on the Lands;

- preparing the Notice and Statement of the Receiver pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;

- corresponding with the Company's insurance broker to add the Receiver as loss payee and named insured on the Company's insurance policies;

- opening a receivership bank account and transferring funds from the Company's bank account to the receivership bank account;

- carrying out a process to engage a listing agent in accordance with the Receivership Order;

- carrying out the Sale Process in accordance with the Sale Process Order;

- preparing a Request for Proposal in connection with the Receiver retaining a listing agent to market and sell the Property and sending same to five brokers;

- reviewing the proposals submitted by the brokers (the "Proposals");

- preparing a summary of the Proposals and sending same to the Mortgagees;

- finalizing a listing agreement between C&W and the Receiver;

- reviewing and commenting on all Court materials filed in connection with the Sale Process motion, including the Notice of Motion and Order;

- reviewing and commenting on the CA prepared by A&B;
- reviewing and commenting on a draft form of Asset Purchase Agreement prepared by A&B;
- reviewing and commenting on an interest solicitation letter prepared by C&W;
- reviewing an online data room prepared by C&W;
- reviewing and commenting on several drafts of a Confidential Information Memorandum prepared by C&W;
- reviewing a draft advertisement for the Property to be placed in *The Globe and Mail* (National Edition) and the *Ming Pao Newspaper*;
- reviewing and commenting on a draft approval and vesting order;
- corresponding with several parties interested in purchasing the Lands and referring same to C&W;
- reviewing all offers submitted as part of the Sale Process;
- reviewing various offers submitted by the Purchaser;
- negotiating with parties that submitted offers in the Sale Process;
- negotiating the Transaction;
- reviewing an appraisal of the Lands prepared by Wagner, Andrews & Kovacs;
- corresponding with a party regarding the storage of materials on the Lands;
- corresponding with a contractor regarding the repair of signage and clean-up of trash on the Lands;
- attending at Court in connection with the Receivership Application and in connection with the Sale Process motion;
- paying receivership expenses;
- reviewing the security opinion prepared by A&B;
- reviewing several lien claims;
- complying with the Commercial List's E-Service Protocol, including preparing an email to the E-Service List;

- placing on the Receiver's website copies of all materials filed in these proceedings;
- providing updates to the Mortgagees regarding the Sale Process and other issues;
- drafting this Report and the First Report; and
- addressing all other matters pertaining to the administration of these receivership proceedings.

9.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Court make an Order granting the relief detailed in Section 1.1(g) of this Report.

* * *

All of which is respectfully submitted,

KSV Kofman Inc.

KSV KOFMAN INC.,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF ALL THE LANDS AND PREMISES MUNICIPALLY DESCRIBED AS 5789 – 5951 STEELES AVENUE EAST, TORONTO, ONTARIO AND ALL THE PRESENT AND AFTER-ACQUIRED ASSETS, UNDERTAKING AND PROPERTIES OF MADY STEELES 2011 LTD. IN ANY WAY RELATING TO THESE LANDS AND PREMISES,
AND NOT IN ITS PERSONAL CAPACITY

Appendix "A"

Court File No. CV-15-10897-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 5th
JUSTICE NEWBOULD	)	DAY OF MARCH, 2015
	)	

COMPUTERSHARE TRUST COMPANY OF CANADA

Applicant

- and -

MADY STEELES 2011 LTD.

Respondent

ORDER

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 Duff & Phelps Canada Restructuring Inc. ("**D&P**") as receiver (in such capacity, the "**Receiver**") without security, of all of the lands and premises municipally described as 5789 – 5951 Steeles Avenue East, Toronto, Ontario, and all of the present and after-acquired assets, undertakings and properties of Mady Steeles 2011 Ltd. (the "**Debtor**"), in any way relating to such lands and premises was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Noah Mintz sworn February 26, 2015 (the "**Mintz Affidavit**") and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, D&P and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of [•] sworn [•], and on reading the consent of D&P to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, D&P is hereby appointed Receiver, without security, of all of the lands and premises legally described in Schedule "A" hereto and municipally described as 5789-5951 Steeles Avenue East, Toronto, Ontario (the "**Lands**"), and all of the present and after-acquired assets, undertaking, and properties of the Debtor in any way relating to the Lands (collectively, including the Lands, the "**Property**").

RECEIVER'S POWERS

3. 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;

(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 (other than as provided for in s. 3(j), below), 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;

(j) to solicit proposals for the listing of the Lands by a broker or listing agent, utilizing the "Request for Proposal" process detailed in Exhibit MM to the Mintz Affidavit; provided, however, that the engagement of such broker or listing agent and the implementation of its corresponding proposal and the contemplated sale and marketing process shall require the further approval of this Court;

(k) with the approval of this Court, 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;

(l) with the approval of this Court, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business; provided, however, that 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, and in each case the Ontario *Bulk Sales Act* shall not apply;

(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;

(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;

(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

4. 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.

5. 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.

6. 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.

7. 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

8. 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

9. 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

10. 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

11. 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

12. 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

13. 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

14. 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

15. 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

16. 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

17. 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

18. 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.

19. 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.

20. 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

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from any entity in the Trez Group (as defined in the Mintz Affidavit), 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 $300,000 (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.

22. 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.

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

24. 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

25. 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/eservice-commercial/ shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 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 on D&P's website at www.duffandphelps.ca.

26. 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, facsimile or electronic 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, facsimile or electronic 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

27. 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.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. 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.

30. 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.

31. 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 or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. 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, to the Applicant 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.:

MAR 5 2015

SCHEDULE "A"

LEGAL DESCRIPTION

PIN 06050-0199 (LT)

PT LOTS 18 & 19, CON 5; PT ROAD ALLOWANCE BETWEEN LOTS 18 & 19 CON 5, AS CLOSED BY-LAW 406 BEING PT OF PT 1 66R12477 LYING NORTH OF PLAN 66M1996; SAVE & EXCEPT PT OF LOTS 18 & 19 CON 5 PT 1 66R16987...SUBJ. TO EASE. OVER PTS 1 & 2 66R17070 AS IN C981858. SCARBOROUGH, CITY OF TORONTO; S/T EASEMENT OVER PART 37 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

PIN 06050-0266 (LT)

PT LT 20 CON 5 SCARBOROUGH DESIGNATED AS PT 1 PL 66R23210; SCARBOROUGH; CITY OF TORONTO

PIN 06050-0263 (LT)

PART OF LOT 19 CON 5, SCARBOROUGH, DESIGNATED AS PART 1 ON PLAN 66R-23217, CITY OF TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

PIN 06050-0264 (LT)

PART LOT 18 CON 5, SCARBOROUGH; PT RDAL BTN LOTS 18 AND 19, CON 5, SCARBOROUGH (CLOSED BY BY-LAW NO. 406 AS IN SC608215), CITY OF TORONTO, DESIGNATED AS PART 2 ON PLN 66R-23217; S/T EASEMENT OVER 38 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655

PIN 06050-0272 (LT)

PT LOT 18 CON. 5 SCARBOROUGH, PT 3 PL 66R23217 SAVE AND EXCEPT PT 32 PL 66R23655; CITY OF TORONTO; S/T EASEMENT OVER PT 36 66R23655 AS IN AT1787207; T/W ROW OVER PT 32 66R23655 AS IN AT1787644; T/W EASEMENT OVER PT 35 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $______________________

1. THIS IS TO CERTIFY that Duff & Phelps Canada Restructuring Inc., the receiver (the "**Receiver**") of all of the lands and premises legally described in the schedule hereto and municipally described as 5789-5951 Steeles Avenue East, Toronto, Ontario (the "**Lands**"), and all of the present and after-acquired assets, undertaking, and properties of the Debtor in any way relating to the Lands (collectively, including the Lands, the "**Property**"), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 5th day of March, 2015 (the "**Order**") made in an application 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 $300,000 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 last day of each month at the rate of 10% per annum.

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__.

Duff & Phelps Canada Restructuring Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ________________________________

Name:

Title:

SCHEDULE

LEGAL DESCRIPTION

PIN 06050-0199 (LT)

PT LOTS 18 & 19, CON 5; PT ROAD ALLOWANCE BETWEEN LOTS 18 & 19 CON 5, AS CLOSED BY-LAW 406 BEING PT OF PT 1 66R12477 LYING NORTH OF PLAN 66M1996; SAVE & EXCEPT PT OF LOTS 18 & 19 CON 5 PT 1 66R16987...SUBJ. TO EASE. OVER PTS 1 & 2 66R17070 AS IN C981858. SCARBOROUGH, CITY OF TORONTO; S/T EASEMENT OVER PART 37 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

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PIN 06050-0264 (LT)

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PIN 06050-0272 (LT)

PT LOT 18 CON. 5 SCARBOROUGH, PT 3 PL 66R23217 SAVE AND EXCEPT PT 32 PL 66R23655; CITY OF TORONTO; S/T EASEMENT OVER PT 36 66R23655 AS IN AT1787207; T/W ROW OVER PT 32 66R23655 AS IN AT1787644; T/W EASEMENT OVER PT 35 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

COMPUTERSHARE TRUST COMPANY OF CANADA – and – MADY STEELES 2011 LTD.

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

ORDER

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Appendix “B”

Court File No. CV-15-11025-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 10TH DAY
	)	
JUSTICE HAINEY	)	OF JULY, 2015

BETWEEN:

KSV KOFMAN INC.

Applicant

-AND-

D&P CANADA ACQUISITION CORP.

Respondent

Application under Rule 14.05(3)(h) of the *Rules of Civil Procedure*

SUBSTITUTION ORDER

THIS APPLICATION made by KSV Kofman Inc. ("**KSV**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of KSV, including the Affidavit of Robert Kofman sworn July 3, 2015, together with the exhibits attached thereto (the "**Affidavit**"), and on hearing the submissions of counsel for KSV and counsel listed on the Counsel Slip, no one else appearing although served as evidenced by the Affidavit of Service:

1. **THIS COURT ORDERS** that the effective date of this order (the "**Effective Date**") shall be June 30, 2015, being the effective date of the amalgamation of KSV and Duff & Phelps Canada Restructuring Inc. ("**D&P Restructuring**").

BIA ESTATES

2. **THIS COURT ORDERS** that KSV be and is hereby substituted in place of D&P Restructuring as Trustee in Bankruptcy or Proposal Trustee (the "**Trustee**") of the estate files listed on **Schedule "A"** hereto (the "**BIA Estates**").

3. **THIS COURT ORDERS AND DIRECTS** that all real and personal property wherever situate of the BIA Estates be and is hereby vested in KSV in its capacity as Trustee, to be dealt with by KSV in accordance with the provisions of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), pursuant to its powers and obligations as Trustee of the BIA Estates.

4. **THIS COURT ORDERS** that KSV is authorized and directed to continue and complete the administration of the BIA Estates, to deal with the BIA Estates' property in accordance with the duties and functions of the Trustee as set out in the BIA and to receive all remuneration of the Trustee in the BIA Estates for services performed from the commencement of each of the BIA Estates until the discharge of the Trustee, less any remuneration already received by D&P Restructuring in accordance with the provisions of the BIA, or otherwise payable to D&P Restructuring to the date of closing of the Transaction (as defined in the Affidavit).

5. **THIS COURT ORDERS** that the requirement and responsibility for taxation of the Trustee's accounts in respect of the BIA Estates with respect to all work performed in respect of such BIA Estates from the initial appointment of D&P Restructuring or any other party, through to the completion of the administration of such BIA Estates and discharge of KSV as the new Trustee, be and is hereby assigned and transferred to KSV.

6. **THIS COURT ORDERS AND DIRECTS** that KSV be and is hereby required, in respect of the BIA Estates, to (i) observe all of the terms provided by Rule 61(2) of the BIA Rules, (ii) keep all estate books, records and documents as provided by Rule 68 of the BIA Rules, and (iii) retain all books, estate records, documents within its control including work in progress, billing or time records in support of any claims made for time charges and advances on fees made by D&P Restructuring, and detailed trial

balances (electronic or otherwise) from the date of bankruptcy showing all the funds received and disbursed since the date of bankruptcy notwithstanding KSV assuming responsibility for the BIA Estates as at the Effective Date.

7. **THIS COURT ORDERS AND DIRECTS** to the extent that D&P Restructuring has given security in cash or by bond of a guarantee company pursuant to section 16(1) of the BIA (the "**Security**"), such Security shall be transferred from D&P Restructuring to KSV and any party holding such Security be and is hereby directed to take all steps necessary to effect such transfer. Upon transfer, KSV shall assume, and D&P Restructuring shall be relieved of, all obligations respecting the Security.

RECEIVERSHIP AND CCAA PROCEEDINGS

8. **THIS COURT ORDERS** that KSV be and is hereby substituted in place of D&P Restructuring as the Receiver, Receiver and Manager, or Interim Receiver (collectively, "**Receiver**") in respect of the mandates listed in **Schedule "B"** hereto (the "**Receivership Proceedings**") and the Monitor and Information Officer in respect of the mandates listed on **Schedule "C"** hereto (the "**CCAA Proceedings**").

OBCA PROCEEDINGS

9. **THIS COURT ORDERS** that KSV be and is hereby substituted in place of D&P Restructuring as the Liquidator in respect of the mandates listed in **Schedule "D"** hereto (the "**OBCA Proceedings**"). Collectively, the BIA Estates, the Receivership Proceedings, the CCAA Proceedings and the OBCA Proceedings are referred to herein as the "**Transferred Mandates**".

10. **THIS COURT ORDERS** that KSV (and its legal counsel and representatives, as applicable) will have all rights, benefits, protections and obligations granted to such court officer (and its legal counsel and representatives, as applicable) under any order made in the Transferred Mandates or any statute applicable to the now Transferred Mandates or any contract or agreement to which D&P Restructuring is a signatory in the Transferred Mandates. For greater certainty and without limitation, this includes the benefit of any indemnity, charge or priority granted in the Transferred Mandates and relief from the application of any statute including the *Personal Information Protection and Electronic Documents Act* (Canada) ("**PIPEDA**").

11. **THIS COURT ORDERS** that to the extent required by the applicable Orders in the Receivership Proceedings and CCAA Proceedings, the accounts of D&P Restructuring and its legal counsel in respect of the Receivership Proceedings and CCAA Proceedings shall be passed in accordance with the applicable Orders in the Receivership Proceedings and CCAA Proceedings on the application of KSV.

ACCOUNTS

12. **THIS COURT ORDERS** that D&P Restructuring be and is hereby authorized to transfer to the name of KSV all funds that remain in its consolidated trust bank accounts and all other trust bank accounts that belong or related to the Transferred Mandates, and D&P Restructuring and KSV be and are hereby authorized to take all steps and to execute any instrument required for such purpose.

13. **THIS COURT ORDERS AND DIRECTS** that KSV be and is hereby authorized to endorse for deposit, deposit, transfer, sign, accept or otherwise deal with all cheques, bank drafts, money orders, cash or other remittances received in relation to any of the Transferred Mandates where such cheques, bank drafts, money orders, cash or other remittances are made payable or delivered to D&P Restructuring, in relation to the same, and any bank, financial institution or other deposit-taking institution with which KSV be and is hereby authorized to rely on this Order for all purposes of this paragraph.

REAL PROPERTY

14. **THIS COURT ORDERS AND DIRECTS** that the Registrar of Land Titles in any Land Title District wherein any registration was previously made by D&P Restructuring in its capacity as Trustee or Receiver of Transferred Mandates including, without limitation, the registration in respect of the real property described in **Schedule "E"** hereto, be and is hereby authorized and directed to amend any such registration to reflect the substitution of KSV for D&P Restructuring as Trustee or Receiver, as the case may be.

GENERAL

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the PIPEDA and any substantially similar legislation, D&P Restructuring is authorized and permitted to disclose and transfer to KSV all employee records within its control. KSV shall maintain and protect the privacy of any personal information contained in the employee records and shall be entitled to collect and use the personal information provided to it for the same purpose(s) as such information was used by D&P Restructuring.

16. **THIS COURT ORDERS** that D&P Restructuring will deliver all files, papers, books, records and property within its control relating to the Transferred Mandates to KSV as soon as practicable following the closing of the Transaction (as defined in the Affidavit).

17. **THIS COURT ORDERS** that any required notification of the discharge of D&P Restructuring in respect of the Transferred Mandates, including without limitation statutory notices to proven creditors within the BIA Estates, the applicable bankrupts or debtors within the BIA Estates, the Court, the Office of the Superintendent of Bankruptcy and any other person, be and is hereby waived.

18. **THIS COURT ORDERS** that this Order shall be effective in all judicial districts in Ontario which govern any of the Transferred Mandates.

19. **THIS COURT ORDERS** that the requirement for a separate Notice of Motion and supporting Affidavit to be filed in the Court file of each of the Transferred Mandates be and is hereby waived.

20. **THIS COURT ORDERS** that the requirement for service or notification of this motion on any interested party in the Transferred Mandates including, without limitation, proven creditors within the BIA Estates, the applicable bankrupts or debtors within the BIA Estates, and any other person, be and is hereby waived.

21. **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 D&P Restructuring and KSV 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 D&P Restructuring and KSV as may be necessary or desirable to give effect to this Order, or to assist D&P Restructuring and KSV and their respective agents in carrying out the terms of this Order.

Hainey J.

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

JUL 1 0 2015

MB

SCHEDULE A

Duff & Phelps Canada Restructuring Inc.
Bankruptcies to be transferred to KSV Kofman Inc.

Name	Estate File No.
2515080 Nova Scotia Company	32-1501841
252862 Ontario Inc. (formerly Tectrol Inc.)	31-1929721
Boparai, Rantej Singh	32-158782
Career Canada C.F.P. Limited	31-1963353
Cole, Henry George	31-456669
Colossus Minerals Inc.	31-1826899
CPI Corp.	32-1929730
CPI Portrait Studios of Canada Corp.	32-1929729
EnerNorth Industries Inc.	31-45469B
Everest Colleges Canada Inc.	31-1963343
Frontline Technologies Inc.	31-1696523
IceGen Inc.	31-2003505
Linens 'N Things	31-1121528
Margosa Credit Union Limited	31-1570748
NMC Canada, Inc.	32-1501836
NS Studios (7291931 Canada Inc.)	31-1783744
Premium Disc Corp.	32-158728
Revstone Industries Burlington Inc.	32-1672848
Shaw Canada, L.P.	32-158522
SKD Automotive Co.	32-158287
Stone & Webster Canada Holding One	32-158523
Stone & Webster Canada Holding Two, Inc	32-158524
Surefire Industries Ltd.	25-094411
The Ravelston Corporation Limited	31-455711
The Ravelston Management	31-456255
Trinity Real Estate Partners Inc.	31-456667
Zsemba Apron & Upholstry	31-1901005

SCHEDULE B

Duff & Phelps Canada Restructuring Inc.
Receiverships to be transferred to KSV Kofman Inc.

Name	Court File No.
1095195 Ontario Limited - Di Felice	11-9193-00CL
1650473 Ontario Inc./2328247 Ontario Inc. o/a Scrapmen	13-10386-00CL
252862 Ontario Inc. (formerly Tectrol Inc.)	31-1929721
721362 Ontario Limited	11-9193-00CL
ARXX Building Products Inc.	13-10353-00CL
CO Capital Growth Corp.	10-8883-00CL
CPI Corporation	13-10069-00CL
Di Felice, Nina & Italo	11-9193-00CL
Goudas Food Products and Investments Limited	14-10680-00CL
Graceway Canada Company	11-9411CL
Grafikom LP	08-CL-7840
Linens 'N Things	31-1121528
Mady Steeles 2011 Ltd.	15-10897-00CL
Newtek Automotive	13-9982-00CL
Priszm Group	11-9375-00CL
Quebec Lithium Inc., QLI Metaux Inc., and Sirocco Mining Inc.	500-11-047560-145
RB Energy Inc.	500-11-047560-145
Retrocom Growth Fund	31-452496
Revstone Industries Burlington Inc.	12-9542-00CL
Robgreen Investments Limited	31-456362
Robert Mander and E.M.B. Asset Group Inc.	10-8619-00CL
Sirocco Mining Inc.	500-11-047560-145
SKD Automotive Co.	09-CL-7960
Stewart v. Lawrynowicz	13-10224-00CL
Surefire Industries Ltd.	1301-11285
Tamerlane Ventures inc.	14-10417-00CL
The Ravelston Corporation Limited	31-455711
Xchange Technology Group	13-10310-00CL
Zsemba Apron & Upholstry	14-10569-00CL

SCHEDULE C

Duff & Phelps Canada Restructuring Inc.
CCAA proceedings to be transferred to KSV Kofman Inc.

Name	Court File No.
Allied Systems (Canada) Company	12-CV-9757-00CL
Eddie Bauer of Canada Inc. Monitor	09-8240-CL
iMarketing Solutions Group Inc.	13-10067-00CL
Labrador Iron Mines Limited	15-10926-00CL
Pine Point Holding Corp.	13-10028-00CL
Tamerlane Ventures Inc.	13-10228-00CL
Unique Broadband Systems, Inc.	11-9283-00CL

SCHEDULE D

Duff & Phelps Canada Restructuring Inc.
OBCA Court proceedings to be transferred to KSV Kofman Inc.

Name	Court File No.
Diversinet Corp.	13-10282-00CL
Coventree	12-9594-00CL

SCHEDULE E

SCHEDULE

LEGAL DESCRIPTION

PIN 06050-0199 (LT)

PT LOTS 18 & 19, CON 5; PT ROAD ALLOWANCE BETWEEN LOTS 18 & 19 CON 5, AS CLOSED BY-LAW 406 BEING PT OF PT 1 66R12477 LYING NORTH OF PLAN 66M1996; SAVE & EXCEPT PT OF LOTS 18 & 19 CON 5 PT 1 66R16987...SUBJ. TO EASE. OVER PTS 1 & 2 66R17070 AS IN C981858. SCARBOROUGH, CITY OF TORONTO; S/T EASEMENT OVER PART 37 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

PIN 06050-0266 (LT)

PT LT 20 CON 5 SCARBOROUGH DESIGNATED AS PT 1 PL 66R23210; SCARBOROUGH; CITY OF TORONTO

PIN 06050-0263 (LT)

PART OF LOT 19 CON 5, SCARBOROUGH, DESIGNATED AS PART 1 ON PLAN 66R-23217, CITY OF TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

PIN 06050-0264 (LT)

PART LOT 18 CON 5, SCARBOROUGH; PT RDAL BTN LOTS 18 AND 19, CON 5, SCARBOROUGH (CLOSED BY BY-LAW NO. 406 AS IN SC608215), CITY OF TORONTO, DESIGNATED AS PART 2 ON PLN 66R-23217; S/T EASEMENT OVER 38 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655

PIN 06050-0272 (LT)

PT LOT 18 CON. 5 SCARBOROUGH, PT 3 PL 66R23217 SAVE AND EXCEPT PT 32 PL 66R23655; CITY OF TORONTO; S/T EASEMENT OVER PT 36 66R23655 AS IN AT1787207; T/W ROW OVER PT 32 66R23655 AS IN AT1787644; T/W EASEMENT OVER PT 35 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

KSV KOFMAN INC.
Applicant

and

D&P CANADA ACQUISITION CORP.
Respondent

Court File No: CV-15-11025-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced At Toronto

ORDER

Davies Ward Phillips & Vineberg LLP
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Lawyers for KSV Kofman Inc.

Appendix “C”

Court File No. CV-15-10897-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 1ST DAY
	)	
JUSTICE MCEWEN	)	OF APRIL, 2015

BETWEEN:

COMPUTERSHARE TRUST COMPANY OF CANADA

Applicant

- and -

MADY STEELES 2011 LTD.

Respondent

ORDER

THIS MOTION, made by Duff & Phelps Canada Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all of the lands and premises municipally described as 5789 – 5951 Steeles Avenue East, Toronto, Ontario (collectively, the "**Lands**") and all of the present and after-acquired assets, undertaking and properties of Mady Steeles 2011 Ltd. (the "**Debtor**") in any way relating to the Lands (collectively, together with the Lands, the "**Property**"), for an order, among other things: (i) approving the First Report of the Receiver dated March 25, 2015 (the "**First Report**"), and the actions of the Receiver set out therein; (ii) sealing Confidential Appendix "1" to the First Report until further Order of the Court; and (iii) approving the marketing and sale process set out in the First Report and any minor or non-substantive amendments to the marketing and sale process set out in the First Report deemed necessary and appropriate by the Receiver (collectively, the "**Sale Process**"), including, without limitation, the Receiver's proposed engagement of Cushman & Wakefield Ltd. ("**C&W**") to act as listing agent for the Lands (the "**Listing Agent**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and the appendices thereto, and on hearing the submissions of counsel for the Receiver, counsel for Computershare Trust Company of Canada and such other counsel as were present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of Eunice Baltkois sworn March 26, 2015, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the 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 First Report be and is hereby approved and the actions of the Receiver described therein be and are hereby approved.

3. **THIS COURT ORDERS** that Confidential Appendix "1" to the First Report be and is hereby sealed until further Order of the Court.

4. **THIS COURT ORDERS** that the Sale Process set out in the First Report, including, without limitation, the Receiver's engagement of C&W to act as the Listing Agent, be and is hereby approved, and that the Receiver and the Listing Agent are hereby authorized to carry out the Sale Process.

5. **THIS COURT ORDERS** that each of the Receiver and the Listing Agent be and is hereby authorized to:

(a) proceed to market and offer for sale the Receiver's right, title and interest in and to the Property in the manner more particularly described in the First Report and in accordance with and on the terms of the Sale Process;

(b) enter into discussions with any and all offerors in respect of the Property; and

(c) if considered by the Receiver to be appropriate, and subject to confidentiality restrictions satisfactory to the Receiver being entered into, to disclose to and review any of the offers received pursuant to the Sale Process with any of the Debtor's secured creditors or any of the secured creditors' professional advisors.

6. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to:

(a) accept an offer to purchase some of or all the Property, the terms of which, in the Receiver's sole opinion, after consulting with the Listing Agent, are in the best interests of the estate herein, subject to the approval of this Court as specified in the Sale Process; and

(b) enter into agreements of purchase and sale in respect of some of or all the Property, subject to the approval of this Court as specified in the Sale Process.

7. **THIS COURT ORDERS** that, in accordance with the terms of the Sale Process, the Receiver shall not be obligated to accept any offer or offers to purchase some of or all the Property.

8. **THIS COURT ORDERS** that, save and except for any gross negligence or wilful misconduct on their respective parts, neither the Receiver nor the Listing Agent shall have any

personal or corporate liability in connection with offering the Receiver's right, title and interest in and to the Property for sale, including, without limitation:

(a) by advertising either or both the Property and the Sale Process, if at all, including, without limitation, the opportunity to acquire all or a portion of the Property;

(b) by exposing or not exposing the Property to any and all parties, including, without limitation, those which have made their interest known to either or both the Receiver and the Listing Agent;

(c) by carrying out the Sale Process;

(d) by responding to any and all requests or enquiries in regards to due diligence conducted in respect of the Property;

(e) through the disclosure of any and all information presented by any of the Receiver, its solicitors and its agents (including, without limitation, the Listing Agent), arising from, incidental to or in connection with the Sale Process;

(f) pursuant to any and all offers received by either or both the Receiver and the Listing Agent in accordance with the Sale Process; and

(g) pursuant to any agreements entered into by the Receiver in respect of the sale of any of the Property.

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

APR 1 - 2015

COMPUTERSHARE TRUST COMPANY OF CANADA - and - **MADY STEELES 2011 LTD.**

Applicant | Respondent

Court File No. CV-15-10897-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

ORDER

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Lawyers for Duff & Phelps Canada Restructuring Inc.

21892784.7

Appendix “D”

Noah Goldstein

Subject: FW: Mady
Attachments: APA_Executed_Holborn Property Investments_06-11-15.pdf; BL - ASSET PURCHASE AGREEMENT.docx

From: Goldstein, Noah
Sent: Thursday, June 11, 2015 1:55 PM
To: 'Sean Zweig (ZweigS@bennettjones.com)'; noahm@trezcapital.com; iaversa@airdberlis.com; Steve Graff
Cc: Kofman, Bobby; Noah Rechtsman (noah.rechtsman@ca.cushwake.com)
Subject: Mady

All,

Further to correspondence from Trez and its counsel earlier today, we understand that Trez is not prepared to finance the terms of the offer submitted by the Alderland Group in the sale process. Accordingly, the Receiver has now rejected the Alderland Group offer and all of the offers in the sale process have now been rejected. Our view is that the sale process is now at an end.

A party that did not participate in the sale process submitted an offer to Cushman and Wakefield (C&W) on May 28, 2015, which is a date subsequent to the offer deadline in the sale process. C&W received a revised offer from the same party this morning. We have not reviewed the initial offer or the revised offer and do not have any knowledge of the terms of these. We will review the revised offer now, which we are sending you contemporaneously with a blackline to the standard form of the APA.

Thank you.

Noah

Noah Goldstein
Vice President, Restructuring

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Duff & Phelps Canada Restructuring Inc.
333 Bay Street
14th Floor
Toronto, Ontario, M5H 2R2

noah.goldstein@duffandphelps.com
www.duffandphelps.com

Appendix "E"

AGREEMENT OF PURCHASE AND SALE

BETWEEN

KSV KOFMAN INC.
in its capacity as the court-appointed receiver
of all of the lands and premises municipally described as
5789 – 5951 Steeles Avenue East, Toronto, Ontario
and all of the present and after-acquired assets, undertaking and
properties of Mady Steeles 2011 Ltd. in any way relating to these
lands and premises,
and not in its personal capacity or in any other capacity

- and -

HOLBORN PROPERTY INVESTMENTS INC., IN TRUST

Dated: July 16, 2015

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(continued)

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(continued)

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 16th day of July, 2015.

BETWEEN:

KSV KOFMAN INC. ("KSV"),
in its capacity as the court-appointed receiver
of all of the lands and premises municipally described as
5789 – 5951 Steeles Avenue East, Toronto, Ontario
and all of the present and after-acquired assets, undertaking and
properties of Mady Steeles 2011 Ltd. in any way relating to these
lands and premises,
and not in its personal capacity or in any other capacity

(in such capacity, the "**Receiver**")

- and -

HOLBORN PROPERTY INVESTMENTS INC., IN TRUST

(the "**Purchaser**")

WHEREAS pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on March 5, 2015 (the "**Receivership Order**"), Duff & Phelps Canada Restructuring Inc. ("**D&P**") was appointed as the court-appointed receiver of all of the lands and premises municipally described as 5789 – 5951 Steeles Avenue East, Toronto, Ontario (collectively, the "**Lands**") and all of the present and after-acquired assets, undertaking and properties of Mady Steeles 2011 Ltd. (the "**Debtor**") in any way relating to the Lands (collectively, together with the Lands, the "**Property**");

AND WHEREAS pursuant to an order of the Court issued on April 1, 2015, D&P, in its capacity as the court-appointed receiver of the Property, was authorized to offer the Purchased Assets (as defined hereafter) for sale under a marketing and sales process established in its First Report dated March 25, 2015, and to apply for an order of the Court approving the sale of the Purchased Assets and vesting in and to a purchaser all the Debtor's right, title and interest in and to the Purchased Assets;

AND WHEREAS pursuant to an order of the Court issued on July 10, 2015, KSV was substituted in place of D&P as the court-appointed receiver of the Property;

AND WHEREAS the Purchaser acknowledges its receipt and review of a confidential information memorandum prepared by Cushman & Wakefield Ltd. making certain confidential disclosures with respect to the Debtor and the Property;

AND WHEREAS the Purchaser wishes to purchase and the Receiver wishes to sell the Purchased Assets upon the terms and subject to the conditions set out herein;

AND WHEREAS Trez Capital (2011) Corporation has executed this Agreement to confirm that it agrees to be bound by and benefit from certain specific provisions herein;

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties (as defined hereafter), the Parties agree as follows:

ARTICLE 1
DEFINED TERMS

1.1 Definitions.

In this Agreement:

"**Accounts Payable**" means all amounts relating to the Business owing to any Person which are incurred in connection with the purchase of goods or services in the ordinary course of business;

"**Agreement**" means this agreement of purchase and sale, including all schedules and all amendments or restatements, as permitted, and references to "**article**", "**section**" or "**schedule**" mean the specified article, section of, or schedule to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

"**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

"**Approval and Vesting Order**" means the approval and vesting order issued by the Court approving this Agreement and the transactions contemplated by this Agreement and conveying to the Purchaser all of each of the Receiver's and the Debtor's right, title and interest, if any, in and to the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, and which order shall be in a form substantively similar to the draft order attached as **Schedule "A"** hereto;

"**Assignable Assets**" has the meaning given in section 3.1(3) herein;

"**Books and Records**" means the files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) pertaining to the Purchased Assets that have been delivered by the Receiver to the Purchaser at or before Closing;

"**Break Fee**" has the meaning given in section 14.3 herein;

"**Business**" means the business carried on by the Debtor, including, without limitation, the operation and management of the Property;

"Business Day" means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

"Claims" means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing, related to the Debtor or the Real Property, and **"Claim"** means any one of them;

"Closing" means the successful completion of the Transaction;

"Closing Date" means September 23, 2015, or such other date as may be agreed to in writing by the Parties;

"Closing Time" means 2:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

"Consents and Approvals" means the consents and approvals of all relevant third parties;

"Contracts" means all of the contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which the Debtor is a party;

"Court" has the meaning set out in the recitals hereof;

"D&P" has the meaning set out in the recitals hereof;

"Debtor" has the meaning set out in the recitals hereof;

"Deposit" has the meaning given in section 4.2 herein;

"Encumbrances" means all liens, charges, security interests, pledges, leases, offers to lease, title retention agreements, mortgages, restrictions on use, development or similar agreements, easements, rights-of-way, title defects, options or adverse claims or encumbrances of any kind or character whatsoever;

"ETA" means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

"Excluded Assets" means the Receiver's and the Debtor's right, title and interest in and to any asset of the Receiver and the Debtor other than the Purchased Assets, which Excluded Assets include the Receiver's and the Debtor's right, title and interest in and to the following:

(a) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Debtor that do not relate exclusively or primarily to any of the Purchased Assets;

(b) the benefit of any refundable Taxes payable or paid by the Debtor in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Debtor to any refund, rebate, or credit of Taxes for the period prior to the Closing Date;

(c) the Personal Property Leases;

(d) the Contracts; and

(e) the Real Property Leases;

"Excluded Liabilities" has the meaning given in section 3.3 herein;

"Governmental Authority" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and **"Governmental Authority"** means any one of them;

"HST" means harmonized sales tax imposed under Part IX of the ETA;

"Interim Period" means the period from and including the date of this Agreement to and including the Closing Date;

"ITA" means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

"KSV" has the meaning set out in the recitals hereof;

"Lands" has the meaning set out in the recitals hereof, the legal descriptions of which Lands are attached as **Schedule "D"** hereto;

"Mortgage" has the meaning given in section 4.6 herein;

"Mortgage Term" has the meaning given in section 4.6 herein;

"Notice" has the meaning given in section 15.3 herein;

"Parties" means the Receiver and the Purchaser;

"Permits" means all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any Governmental Authority in respect of the Real Property;

"**Permitted Encumbrances**" means all those Encumbrances described in **Schedule "B"** hereto;

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

"**Personal Property Leases**" means all leases of personal or moveable property that relate to the Business, including all benefits, rights and options pursuant to such leases and all leasehold improvements forming part thereof;

"**Property**" has the meaning set out in the recitals hereof;

"**Purchase Price**" has the meaning set out in section 4.1 herein;

"**Purchased Assets**" means all of the Receiver's and the Debtor's right, title and interest in and to the following:

(a) the full benefit of all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;

(b) the Real Property;

(c) the Permits, but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees; and

(d) the Warranty Rights,

provided, however, that the Purchased Assets shall not include the Excluded Assets or the Excluded Liabilities;

"**Purchaser**" means Holborn Property Investments Inc., a corporation duly formed and validly subsisting under the laws of the Province of Ontario, in trust;

"**Real Property**" means the Lands, together with all buildings, improvements and structures thereon and the fixtures (other than trade fixtures) affixed thereto, as well as all plans, designs and specifications in connection therewith;

"**Real Property Leases**" means all leases, offers to lease and letters of intent to lease of real or immoveable property that relate to the Purchased Assets, including all benefits, rights and options pursuant to such leases and all leasehold improvements forming part thereof, including, without limitation, those listed on **Schedule "C"** hereto;

"**Receiver**" has the meaning set out in the recitals hereof;

"**Receivership Order**" has the meaning set out in the recitals hereof;

"**Rights**" has the meaning given in section 3.1(3) herein, but only has such meaning in such section;

"**Taxes**" means all taxes, HST, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

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

"**TCC**" has the meaning given in section 4.6 herein;

"**Trez**" has the meaning given in section 4.6 herein; and

"**Warranty Rights**" means the full benefit of all warranties, warranty rights, performance bonds and indemnities (implied, express or otherwise) of the Debtor against manufacturers, contractors or any other Person which apply to the Real Property, but only to the extent that the same are capable of being assigned.

ARTICLE 2
SCHEDULES

2.1 ***Schedules.***

The following schedules are incorporated in and form part of this Agreement:

Schedule	Description
Schedule A	Approval and Vesting Order
Schedule B	Permitted Encumbrances
Schedule C	Real Property Leases
Schedule D	Legal Description of Lands

ARTICLE 3
AGREEMENT TO PURCHASE

3.1 Purchase and Sale of Purchased Assets.

(1) Relying on the representations and warranties herein, the Receiver hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, all right, title and interest of the Receiver and the Debtor in and to the Purchased Assets (other than the Excluded Assets) free and clear of all Encumbrances, other than the Permitted Encumbrances.

(2) Subject to the Closing, the Receiver hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, claims and demands whatsoever in the Purchased Assets.

(3) This Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies (in this section 3.1(3),

collectively, the "**Rights**") under any Permits or Consents and Approvals (collectively, the "**Assignable Assets**") that form part of the Purchased Assets and which are not assignable by the Receiver to the Purchaser without the required consent of the other party or parties thereto (collectively, the "**Third Party**"). To the extent any such consent is required and not obtained by the Receiver prior to the Closing Date, then, to the extent permitted by Applicable Law:

(a) the Receiver will, at the request, direction and cost of the Purchaser, acting reasonably, assist the Purchaser, in a timely manner and on a commercially reasonable best-efforts basis, in applying for and obtaining all consents or approvals required under the Assignable Assets in a form satisfactory to the Receiver and the Purchaser, acting reasonably;

(b) the Receiver will only deal with or make use of such Rights in accordance with the directions of the Purchaser;

(c) the Receiver will use its commercially reasonable best efforts to take such actions and do such things as may be reasonably and lawfully designed to provide the benefits of the Assignable Assets to the Purchaser, including holding those Assignable Assets in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment; and

(d) in the event that the Receiver receives funds with respect to those Assignable Assets, the Receiver will promptly pay over to the Purchaser all such funds collected by the Receiver, net of any outstanding costs directly related to the assignment in respect of such Assignable Assets.

3.2 Excluded Assets.

Notwithstanding anything else in this Agreement, the Purchased Assets shall not include the Excluded Assets.

3.3 Excluded Liabilities.

The Purchaser is not assuming, and shall not be deemed to have assumed any liabilities, obligations or commitments of the Debtor or the Receiver or of any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Business or the Debtor's ownership or interest therein, whether pursuant to this Agreement or as a result of the Transaction (collectively, the "**Excluded Liabilities**"). For greater certainty, the Excluded Liabilities shall include, but not be limited to, the following:

(a) except as otherwise agreed in this Agreement, all Taxes payable by the Debtor arising with respect to any period prior to the Closing Date and all Taxes payable relating to any matters or assets other than the Purchased Assets arising with respect to the period from and after the Closing Date;

(b) any liability, obligation or commitment associated with the Accounts Payable or any employees of the Debtor;

(c) any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;

(d) any liability, obligation or commitment associated with any of the Excluded Assets; and

(e) any liability, obligation or commitment in respect to Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date.

ARTICLE 4
PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 **Purchase Price.**

The purchase price for the Purchased Assets shall be the aggregate of [redacted] (the "**Purchase Price**").

4.2 **Deposit.**

(1) Within three (3) Business Days of execution of this Agreement by the Receiver as indicated on the last page of this Agreement, the Purchaser shall pay the Receiver a deposit by cheque of [redacted] (the "**Deposit**"), which Deposit shall be held in accordance with the provisions of this Agreement pending completion or other termination of this Agreement and shall be applied against and towards the Purchase Price due on completion of the Transaction on the Closing Date.

(2) The Parties agree that the Receiver shall cause the Deposit to be placed in an interest bearing account, which Deposit and interest shall accrue to the benefit of the Purchaser from the date of this Agreement until the Closing Date or other termination of this Agreement and shall be credited to the Purchaser on the Closing Date.

4.3 **Satisfaction of Purchase Price.**

The Purchaser shall indefeasibly pay and satisfy the Purchase Price as follows:

(a) the Deposit, and any interest accrued thereon, shall be applied against the Purchase Price;

(b) [redacted] shall be paid by the Purchaser to the Receiver on Closing; and

(c) the remainder of the Purchase Price, being the net amount owing after deducting the Deposit and the payment described in subsection (b) above, shall be satisfied by way of the Mortgage to Trez (and the Receiver shall, prior to or at Closing, assign any obligation of the Purchaser to pay this amount to the Receiver to Trez), on the terms and conditions set out in Section 4.6.

4.4 Allocation of Purchase Price.

The Parties, acting reasonably and in good faith, covenant to use best efforts to agree to allocate the Purchase Price among the Purchased Assets in a mutually agreeable manner on or prior to the Closing Time, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but rather shall result in the nullity of the application of this section of the Agreement such that each Party shall be free to make its own reasonable allocation.

4.5 Adjustment of Purchase Price.

(1) The Purchase Price shall be adjusted as of the Closing Time in a manner and amount to be agreed upon by the Parties, acting reasonably, for any property taxes (including interest thereon), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a receivership sale. The Receiver shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval no later than five (5) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such estimate shall serve as a final determination. Notwithstanding any other term in this Agreement, in no event shall the Purchaser be responsible for any charges, fees, Taxes, costs or other adjustments in any way relating to the period prior to the Closing Date or relating to any matters or assets other than the Purchased Assets for the period from and after the Closing Date.

(2) Other than as provided for in this section 4.5, there shall be no adjustments to the Purchase Price.

4.6 Mortgage.

On Closing, the Purchaser agrees to deliver a promissory note secured by a first ranking charge of land in respect of the Lands to Trez Capital (2011) Corporation (**"TCC"**) or such other party as TCC may direct (together with TCC, **"Trez"**) in the principal amount of the balance due on Closing as calculated pursuant to Section 4.1 hereof (collectively, the **"Mortgage"**). Trez and the Purchaser covenant and agree that the Mortgage shall be in a form acceptable to the Purchaser and Trez, acting reasonably, and shall include the following provisions:

(a) incorporate Standard Charge Terms No 200033;

(b) have a term of four (4) years from the date of registration of the Mortgage (the **"Mortgage Term"**);

(c) interest shall be at the following rates, each per annum, calculated monthly, not in advance, with interest-only payments due and payable on a quarterly basis:
- Year 1: four percent (4%)
- Years 2, 3 and 4: six percent (6%);

(d) payments of principal in the amount of One Million Dollars ($1,000,000.00) shall be paid on each of the first, second and third anniversaries of the date of registration of the Mortgage, and the balance shall be repayable in full at the end of the Mortgage Term;

(e) otherwise the Mortgage shall be open at any time or times for prepayment for any amount, without notice, bonus or penalty; and

(f) the Mortgage shall be guaranteed by a guarantor acceptable to the Purchaser and Trez, both acting reasonably.

ARTICLE 5
TAXES

5.1 Taxes.

The Purchaser shall be responsible for all federal and provincial sales taxes, land transfer tax, goods and services, HST and other similar taxes and duties and all registration fees payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser. If the sale of the Purchased Assets is subject to HST, then such tax shall be in addition to the Purchase Price. The Receiver will not collect HST if the Purchaser provides to the Receiver a warranty that it is registered under the ETA, together with a copy of the required ETA registration at least five (5) Business Days prior to Closing, a warranty that the Purchaser shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Receiver in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

ARTICLE 6
CLOSING ARRANGEMENTS

6.1 Closing.

Closing shall take place at the Closing Time on the Closing Date at the offices of the Receiver's lawyers, Aird & Berlis LLP, located in Toronto, Ontario, or at such other time or at such other place as the Parties may agree in writing.

6.2 Tender.

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party.

6.3 Receiver's Closing Deliverables.

The Receiver covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date as expressly provided herein:

(1) a copy of the issued and entered Approval and Vesting Order and the attached Receiver's Certificate;

(2) a statement of adjustments prepared in accordance with section 4.5 hereof, to be delivered not less than five (5) Business Days prior to Closing;

(3) an undertaking by the Receiver to readjust the adjustments set out in section 4.5 hereof;

(4) an assignment and assumption agreement for all Warranty Rights, Permits, Consents and Approvals pertaining to the Real Property (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement to hold same in trust for the Purchaser;

(5) a certificate from the Receiver, dated as of the Closing Date, certifying:

   (a) that, except as disclosed in the certificate, the Receiver has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction;

   (b) that all representations, warranties and covenants of the Receiver contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and

   (c) the non-merger specified in Section 14.2 and elsewhere herein;

(6) an acknowledgement, dated as of the Closing Date, that each of the conditions in section 7.1 hereof have been fulfilled, performed or waived as of the Closing Time; and

(7) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Purchaser, acting reasonably, Applicable Law or any Government Authority.

6.4 Purchaser's Closing Deliverables.

The Purchaser covenants to execute, where applicable, and deliver the following to the Receiver at Closing or on such other date as expressly provided herein:

(1) the indefeasible payment and satisfaction in full of the Purchase Price according to section 4.3 hereof;

(2) an undertaking by the Purchaser to readjust the adjustments set out in section 4.5 hereof;

(3) an acknowledgement, dated as of the Closing Date, that each of the conditions in section 7.3 hereof have been fulfilled, performed or waived as of the Closing Time;

(4) an assignment and assumption agreement for all Warranty Rights, Permits, Consents and Approvals pertaining to the Real Property (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement to hold same in trust for the Purchaser;

(5) a certificate from the Purchaser, dated as of the Closing Date, certifying:

(a) that all representations, warranties and covenants of the Purchaser contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and

(b) the non-merger specified in Section 14.2 and elsewhere herein;

(6) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, appropriate tax exemption certificates with respect to HST in accordance with Article 5 hereof;

(7) if desired, a direction directing the Receiver to convey title to any of the Purchased Assets to an entity other than the Purchaser; and

(8) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Receiver, acting reasonably, Applicable Law or any Government Authority.

6.5 Receiver's Certificate.

Upon receipt of written confirmation from the Purchaser that all of the conditions contained in Section 7.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Receiver of all of the conditions contained in Section 7.1, the Receiver shall forthwith deliver to the Purchaser the Receiver's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

ARTICLE 7
CONDITIONS PRECEDENT TO CLOSING

7.1 Conditions in Favour of the Receiver.

The obligation of the Receiver to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

(1) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;

(2) all the covenants of the Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Purchaser;

(3) the Purchaser shall have complied with all the terms contained in this Agreement applicable to the Purchaser prior to the Closing Date;

(4) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;

(5) Trez shall have confirmed to the Receiver that Trez has obtained all documentation reasonably required by Trez in connection with the Mortgage; and

(6) the Court shall have issued the Approval and Vesting Order, all statutory appeal periods relating to the Approval and Vesting Order shall have expired and all appeals and motions to set aside or vary the Approval and Vesting Order shall have been finally determined.

7.2 Conditions in Favour of Receiver Not Fulfilled.

If any of the conditions contained in section 7.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Receiver or Trez, then the Receiver may, at its sole discretion (other than as stipulated below), and without limiting any rights or remedies available to it at law or in equity:

(a) terminate this Agreement by notice to the Purchaser, in which event the Receiver shall be released from its obligations under this Agreement to complete the Transaction; or

(b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition, provided that the Receiver shall not waive compliance with the condition stipulated in section 7.1(5) hereof without Trez's consent.

7.3 Conditions in Favour of the Purchaser.

The obligation of the Purchaser to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

(a) all the representations and warranties of the Receiver contained in this Agreement shall be true and correct in all material respects on the Closing Date;

(b) all the covenants of the Receiver under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Receiver;

(c) the Receiver shall have complied with all the terms contained in this Agreement applicable to the Receiver prior to the Closing Date;

(d) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;

(e) from the date of this Agreement to Closing, there shall have been no new work orders, deficiency notices, notices of violation or non-compliance or similar orders, and no new Encumbrances registered on title to the Lands or matters affecting the title to the Lands arising or registered after the date of this Agreement, in each case which are not otherwise vested-out pursuant to the Approval and Vesting Order;

(f) from the date of this Agreement to Closing, there shall not have been any emission, release, discharge, disposal, or other deposit of a hazardous substance occurring on or which has migrated onto the Lands which has a material adverse effect on the Lands, and there shall not have been any material adverse change in the condition or operation of the Lands;

(g) the Purchaser and Trez shall have agreed upon the form of and executed all documentation in connection with the Mortgage; and

(h) the Court shall have issued the Approval and Vesting Order, all statutory appeal periods relating to the Approval and Vesting Order shall have expired, and all appeals and motions to set aside or vary the Approval and Vesting Order shall have been finally dismissed or determined in a manner acceptable to the Purchaser, acting reasonably.

7.4 Conditions in Favour of Purchaser Not Fulfilled.

If any of the conditions contained in section 7.3 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion and without limiting its rights or remedies available at law or in equity:

(a) terminate this Agreement by notice to the Receiver, in which event the Purchaser and the Receiver shall be released from their obligations under this Agreement to complete the Transaction; or

(b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

ARTICLE 8
REPRESENTATIONS & WARRANTIES OF THE RECEIVER

The Receiver represents and warrants to the Purchaser as follows, with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

(1) the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Receiver, subject to the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Receiver enforceable in accordance with its terms;

(2) the Receiver has been duly appointed as the receiver of the Property, with the full right, power and authority to enter into this Agreement, perform its obligations hereunder and convey all right, title and interest of the Receiver and the Debtor in and to the Purchased Assets; and

(3) the Receiver is not a non-resident of Canada for the purposes of the ITA.

ARTICLE 9
REPRESENTATIONS & WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Receiver as follows, with the knowledge and expectation that the Receiver is placing complete reliance thereon and, but for such representations and warranties, the Receiver would not have entered into this Agreement:

(1) the Purchaser is a corporation duly formed and validly subsisting under the laws of the Province of Ontario;

(2) the Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Government Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;

(3) the Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date; and

(4) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

ARTICLE 10
COVENANTS

10.1 Mutual Covenants.

Each of the Receiver and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all such actions as are necessary to have the Transaction approved in the Approval and Vesting Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions set forth in Article 7 hereof.

10.2 Receiver Covenants.

The Receiver hereby covenants and agrees that, from the date hereof until Closing, it shall take all such actions as are necessary to provide to the Purchaser all necessary information in respect of the Debtor and the Purchased Assets reasonably required to complete the applicable tax elections in accordance with article 5 hereof and to execute all necessary forms related thereto.

10.3 Purchaser Covenants.

The Purchaser hereby covenants and agrees that, except as expressly contemplated in this Agreement, from the date hereof until the Closing Date, it shall take all such actions as are necessary to provide to the Receiver all necessary information in respect of the Purchaser reasonably required to complete the applicable tax elections in accordance with article 5 hereof and to execute all necessary forms related thereto.

ARTICLE 11
POSSESSION AND ACCESS PRIOR TO CLOSING

11.1 Possession of Purchased Assets.

The Receiver shall remain in possession of the Purchased Assets until the Closing Time, at which time the Purchaser shall take possession of the Purchased Assets where situated. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in the Approval and Vesting Order have been satisfied or waived and the Purchaser has satisfied or the Receiver has waived all the delivery requirements outlined in section 7.1 hereof.

11.2 Examination of Title and Access to the Purchased Assets.

(1) The Purchaser acknowledges and agrees that it shall, at its own cost and expense (regardless of results), examine title to the Real Property, including, without limitation, the Lands, and satisfy itself as to the state thereof, satisfy itself as to outstanding work orders affecting the Lands, satisfy itself as to the use of the Lands being in accordance with applicable zoning requirements and satisfy itself that any and

all buildings and structures on the Lands may be insured to the satisfaction of the Purchaser. The Purchaser further acknowledges that, notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions in regard to any outstanding work orders, deficiency notices or orders to comply issued by any Government Authorities. The Purchaser further acknowledges and agrees that it shall not call upon the Receiver to produce any title deed, abstract of title, survey or other evidence of title that is not within the Receiver's possession or control.

(2) The Purchaser and its agents and representatives may have reasonable access to the Purchased Assets during normal business hours in the Interim Period for the purpose of enabling the Purchaser, at its sole cost and expense (regardless of results), to conduct such non-destructive, non-invasive inspections of the Purchased Assets as it deems appropriate, provided that such inspections shall not unduly interfere (and the Purchaser undertakes to use its best efforts, which the Purchaser represents and warrants shall not be less than reasonable commercial efforts, not to so interfere) with the use, operation and enjoyment of the Purchased Assets by the Receiver. The Purchaser agrees that such tests and inspections shall not include any tests or inspections by any Governmental Authority and specifically acknowledges and agrees that it shall not request or, through its actions, prompt or cause any tests or inspections to be made by any Governmental Authority. Such inspection may, if the Receiver so desires, be conducted in the presence of a representative of the Receiver.

(3) The Purchaser covenants and agrees to repair or pay the costs to repair any damage occasioned during or resulting from the inspection of the Purchased Assets conducted by the Purchaser or its authorized representatives, as outlined above, and to return the Purchased Assets to substantially the condition same were in prior to such inspections. The Purchaser covenants and agrees to indemnify and save the Receiver harmless from and against all losses, costs, claims, third party claims, damages, expenses (including actual legal costs) which the Receiver may suffer as a result of the inspection of the Purchased Assets conducted by the Purchaser or its authorized representatives, as outlined above.

11.3 . Risk.

(1) The Purchased Assets shall be and remain at the risk of the Receiver until Closing and at the risk of the Purchaser from and after Closing.

(2) If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 calendar days after notification to the Purchaser by the Receiver of the occurrence of such damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days of the Closing Date), in which event this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an

assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this section, substantial damage or destruction shall be deemed to have occurred if the loss or damage to the Purchased Assets exceeds 15% of the total Purchase Price (inclusive of the Deposit).

(3) If, prior to the Closing Date, all or a material part of the Lands is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Lands is issued by any Governmental Authority, the Receiver shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three (3) Business Days after the Purchaser receives Notice in writing from the Receiver of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Receiver or Debtor to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Receiver and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit together with all interest accrued thereon shall be returned to the Purchaser forthwith.

ARTICLE 12
AS IS, WHERE IS

12.1 Condition of the Purchased Assets.

The Purchaser acknowledges that the Receiver is selling and the Purchaser is purchasing the Purchased Assets on an *"as is, where is"* and *"without recourse"* basis as the Purchased Assets shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Receiver nor the Debtor has guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser has conducted such inspections of the condition and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Receiver to sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.O. 1990, c. S.1, do not apply hereto and/or have been waived by the Purchaser. The description of the Purchased Assets contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Receiver concerning the accuracy of such description.

ARTICLE 13
POST-CLOSING MATTERS

13.1 Books and Records.

The Purchaser shall keep and maintain the Books and Records for a period of two years from the Closing Date, or for any longer period as may be required by Applicable Law or Governmental Authority. Upon reasonable advance notice, during such two year period after the Closing Date, the Purchaser will grant the Receiver and the Debtor and, in the event the Debtor is adjudged bankrupt, any trustee of the estate of the Debtor and their respective representatives, reasonable access during normal business hours to use and copy the Books and Records at the sole cost of the Receiver or bankruptcy trustee of the estate of the Debtor, as the case may be, and at no cost to the Purchaser.

ARTICLE 14
TERMINATION

14.1 Termination of this Agreement.

This Agreement may be validly terminated:

(1) upon the mutual written agreement of the Parties;

(2) pursuant to section 7.2 hereof by the Receiver;

(3) pursuant to section 7.4 hereof by the Purchaser; or

(4) pursuant to section 11.3 hereof.

14.2 Remedies for Breach of Agreement.

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Receiver, the Purchaser's right to pursue all legal remedies with respect to such breach shall survive such termination, and the Deposit together with all interest accrued thereon and without deduction, shall be returned to the Purchaser forthwith. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, the Deposit shall be forfeited to the Receiver as liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Receiver would suffer in such circumstances, and this shall be the Receiver's sole right and remedy pursuant to this Agreement or at law as a result of the Purchaser's breach.

14.3 Break Fee.

Notwithstanding any other term of this Agreement, in the event that the Transaction is not completed and:

(1) all or any of the Purchased Assets are sold, assigned, transferred or conveyed to a Person other than the Purchaser or a Person related thereto, or

(2) Northbridge Financial Corporation, 2307760 Ontario Limited or any of their respective successors or assigns enters into legal possession of or becomes the legal or beneficial owner of the Real Property, or assumes or redeems the security in favour of Trez (or Computershare Trust Company of Canada),

in any circumstance other than following the valid termination of the Agreement by the Receiver pursuant to and in accordance with subsection 7.2(a) of this Agreement but solely as it relates to subsections 7.1(1), (2), (3) or (6), then Trez shall, within five (5) Business Days thereof and in addition to any other amounts that the Purchaser may be entitled to pursuant to this Agreement, pay to the Purchaser a one-time fee in the amount of One Million Dollars ($1,000,000.00) and an amount equal to all reasonable legal fees and disbursements incurred by the Purchaser with respect to the Transaction (collectively, the "**Break Fee**"). In addition, the Purchaser shall thereupon be entitled to the return of its Deposit, together with all accrued interest thereon, and the same shall be returned and released to the Purchaser by the Receiver.

14.4 Termination If No Breach of Agreement.

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then, and subject to section 14.3 hereof:

(1) all obligations of each of the Receiver and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement; and

(2) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief other than as expressly provided herein.

ARTICLE 15
GENERAL CONTRACT PROVISIONS

15.1 Further Assurances.

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof, including, at the Purchaser's request and expense, the Receiver and/or the Debtor shall execute and deliver such additional conveyances, transfers and other assurances as may, in the opinion of the Parties or their counsel, acting reasonably, be reasonably required to effectually carry out the intent of this Agreement and transfer the Purchased Assets to the Purchaser.

15.2 Survival Following Completion.

Notwithstanding any other provision of this Agreement, section 4.5, article 8, article 9, section 14.2, section 14.3 and section 14.4 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of KSV as the Receiver, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof, provided, however, that Trez's obligation to pay the Break Fee to the Purchaser pursuant to the terms of section 14.3 shall not end, but shall survive the discharge of KSV as the Receiver.

15.3 Notice.

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "Notice") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

(a) to the Receiver:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention:	Robert Kofman and Noah Goldstein
Tel:	(416) 932-6228 / (416) 932-6207
Email:	bkofman@ksvadvisory.com / ngoldstein@ksvadvisory.com

and a copy to the Receiver's counsel to:

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention:	Steven L. Graff, Ian Aversa and Jeremy Nemers
Tel:	(416) 865-7726 / (416) 865-3082 / (416) 865-7724
Email:	sgraff@airdberlis.com / iaversa@airdberlis.com / jnemers@airdberlis.com

(b) to the Purchaser:

Holborn Property Investments Inc.
71 Buttermill Avenue
Vaughan, ON L4K 3X2

Attention:	Sandra Maio
Tel:	(905) 738-8640
Email:	smaio@hbng.ca

and a copy to the Purchaser's counsel to:

WeirFoulds LLP
4100 - 66 Wellington Street West

PO Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Attention: Sylvia Adriano
Tel: (416) 947-5095
Email: sadriano@weirfoulds.com

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email will be deemed given and received on the first Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

15.4 Waiver.

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

15.5 Consent.

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Approval and Vesting Order, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

15.6 Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario sitting in Toronto. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes among them, regardless of whether or not such disputes arose under this Agreement.

15.7 Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

15.8 Time of the Essence.

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

15.9 Time Periods.

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

15.10 Assignment.

This Agreement will enure to the benefit of and be binding on the Parties and Trez and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may assign this Agreement without the Receiver's prior written approval. The Receiver acknowledges that Holborn Property Investments Inc. is entering into this Agreement in trust for a separate entity. Up until closing, the Purchaser shall have the right to direct that title to the Lands be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) provided that the assignee shall, in writing, agree to assume and be bound by the terms and conditions of this Agreement (the "**Assumption Agreement**") and a copy of such Assumption Agreement is delivered to the Receiver forthwith after having been entered into, upon which the Purchaser shall be fully released from any and all further obligations and liabilities hereunder. The Receiver covenants and agrees to deliver a full and final release and discharge in favour of the Purchaser upon the Purchaser's delivery of an executed Assumption Agreement other than in respect of the Deposit.

15.11 Expenses.

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

15.12 Severability.

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

15.13 No Strict Construction.

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

15.14 Cumulative Remedies.

Unless otherwise expressly stated in this Agreement, no remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

15.15 Currency.

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

15.16 Receiver's Capacity.

It is acknowledged by the Purchaser that the Receiver is entering into this Agreement solely in its capacity as Court-appointed receiver of the Property and that the Receiver shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

15.17 Planning Act.

This Agreement is to be effective only if the provisions of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, are complied with.

15.18 No Third Party Beneficiaries.

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and Trez and their respective successors and permitted assigns. Nothing in this Agreement shall be construed to create any rights or obligations except amongst the Parties and Trez, and no other person or entity shall be regarded as a third party beneficiary of this Agreement.

15.19 Number and Gender.

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

15.20 Counterparts.

This Agreement may be executed in counterparts and by facsimile or PDF, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF the Receiver has duly executed this Agreement as of the date first above written.

KSV KOFMAN INC., in its capacity as the court-appointed receiver of all of the lands and premises municipally described as 5789 - 5951 Steeles Avenue East, Toronto, Ontario and all of the present and after-acquired assets, undertaking and properties of Mady Steeles 2011 Ltd. in any way relating to the Lands, and not in its personal capacity or in any other capacity

Per: ______________________

Name: Robert Kofman

Title: President and Managing Director

ACCEPTED by the Purchaser this 17th day of July, 2015

HOLBORN PROPERTY INVESTMENTS INC., IN TRUST

Per: ______________________

Name: John D'Angelo

Authorized Signing Officer

INTERVENTION

TREZ CAPITAL (2011) CORPORATION covenants and agrees to comply with its obligations in (and will have the benefit of) the provisions of Sections 4.6, 7.2(b) and 14.3 hereof.

TREZ CAPITAL (2011) CORPORATION

By: ______________________

Name: MORLEY GREENE

Title: CHAIRMAN AND MANAGING PARTNER

SCHEDULE A
APPROVAL AND VESTING ORDER

Court File No. CV-15-10897-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	[redacted], THE [redacted] DAY
	)	
JUSTICE	)	OF [redacted], 2015

B E T W E E N :

COMPUTERSHARE TRUST COMPANY OF CANADA

Applicant

- and -

MADY STEELES 2011 LTD.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Kofman Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all the lands and premises municipally described as 5789 – 5951 Steeles Avenue East, Toronto, Ontario (collectively, the "**Lands**") and all the present and after-acquired assets, undertaking and properties of Mady Steeles 2011 Ltd. (the "**Debtor**") in any way relating to the Lands (collectively, together with the Lands, the "**Property**"), for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and [redacted] (the "Purchaser"), as purchaser, dated [redacted], 2015 (the "Sale Agreement"), a copy of which is attached as Confidential Appendix "[redacted]" to the Second Report of the Receiver dated [redacted], 2015 (the "Second Report"), and vesting in the Purchaser, or as it may direct, all the Debtor's right, title and interest in and to the property described as the "Purchased Assets" in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [redacted] sworn [redacted], 2015, filed,

1. **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, or as it may direct.

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 the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, or as it may direct, 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, leases, notices of lease, subleases, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, 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 Newbould dated March 5, 2015; (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 and declares that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser, or as it may direct, 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 **Subsections (a)-(e) inclusive of Schedule "C"** hereto.

4. **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.

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

6. **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

any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser, or as it may direct, 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.

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

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-15-10897-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

COMPUTERSHARE TRUST COMPANY OF CANADA

Applicant

- and -

MADY STEELES 2011 LTD.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

I. Pursuant to an Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 5, 2015, Duff & Phelps Canada Restructuring Inc. ("**D&P**") was appointed as receiver, without security, of all the lands and premises municipally described as 5789 – 5951 Steeles Avenue East, Toronto, Ontario (collectively, the "**Lands**") and all the present and after-acquired assets, undertaking and properties of Mady Steeles 2011 Ltd. (the "**Debtor**") in any way relating to the Lands (collectively, together with the Lands, the "**Property**").

II. Pursuant to an Order of the Court dated July 10, 2015, KSV Kofman Inc. was substituted in place of D&P as the court-appointed receiver of the Property (in such capacity, the "**Receiver**").

III. Pursuant to an Order of the Court dated [redacted], 2015, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and [redacted] (the "**Purchaser**"), as purchaser, dated [redacted], 2015 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser, or as it may direct, of all the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), 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.

IV. 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;

3. The transaction has been completed to the satisfaction of the Receiver; and

4. This Certificate was delivered by the Receiver at ____________ [TIME] on ______________ [DATE].

KSV KOFMAN INC., solely in its capacity as the Court-appointed receiver of all the lands and premises municipally described as 5789 – 5951 Steeles Avenue East, Toronto, Ontario and all the present and after-acquired assets, undertaking and properties of Mady Steeles 2011 Ltd. in any way relating to these lands and premises

Per: ____________________________

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN 06050-0199 (LT)

PT LOTS 18 & 19, CON 5; PT ROAD ALLOWANCE BETWEEN LOTS 18 & 19 CON 5, AS CLOSED BY-LAW 406 BEING PT OF PT 1 66R12477 LYING NORTH OF PLAN 66M1996; SAVE & EXCEPT PT OF LOTS 18 & 19 CON 5 PT 1 66R16987...SUBJ. TO EASE. OVER PTS 1 & 2 66R17070 AS IN C981858. SCARBOROUGH, CITY OF TORONTO; S/T EASEMENT OVER PART 37 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

PIN 06050-0266 (LT)

PT LT 20 CON 5 SCARBOROUGH DESIGNATED AS PT 1 PL 66R23210; SCARBOROUGH; CITY OF TORONTO

PIN 06050-0263 (LT)

PART OF LOT 19 CON 5, SCARBOROUGH, DESIGNATED AS PART 1 ON PLAN 66R-23217, CITY OF TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 &25 PL 66R23655 AS IN AT1787250

PIN 06050-0264 (LT)

PART LOT 18 CON 5, SCARBOROUGH; PT RDAL BTN LOTS 18 AND 19, CON 5, SCARBOROUGH (CLOSED BY BY-LAW NO. 406 AS IN SC608215), CITY OF TORONTO, DESIGNATED AS PART 2 ON PLN 66R-23217; S/T EASEMENT OVER 38 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655

PIN 06050-0272 (LT)

PT LOT 18 CON. 5 SCARBOROUGH, PT 3 PL 66R23217 SAVE AND EXCEPT PT 32 PL 66R23655; CITY OF TORONTO; S/T EASEMENT OVER PT 36 66R23655 AS IN AT1787207; T/W ROW OVER PT 32 66R23655 AS IN AT1787644; T/W EASEMENT OVER PT 35 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM TITLE TO PROPERTY

a) <u>Instruments to be deleted from PIN No. 06050-0199(LT)</u>

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT2897037	December 15, 2011	Application for Vesting Order	$42,500,000	Ontario Superior Court of Justice	Mady Steeles 2011 Ltd.
AT2897038	December 15, 2011	Charge	$27,500,000	Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT2897039	December 15, 2011	Notice of Assignment of Rents – General		Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT2897040	December 15, 2011	Charge	$15,000,000	Mady Steeles 2011 Ltd.	Northbridge Financial Corporation
AT2897041	December 15, 2011	Notice of Assignment of Rents – General		Mady Steeles 2011 Ltd.	Northbridge Financial Corporation
AT2897042	December 15, 2011	Charge	$6,550,000	Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT2897043	December 15, 2011	Notice of Assignment of Rents – General		Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT3179955	November 21, 2012	Notice		Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT3179956	November 21, 2012	Postponement		Northbridge Financial Corporation	TCC Mortgage Holdings Inc.
AT3179957	November 21, 2012	Postponement		2307760 Ontario Ltd.	TCC Mortgage Holdings Inc.
AT3216796	January 16, 2013	Transfer of Charge		TCC Mortgage Holdings Inc.	Computershare Trust Company of Canada
AT3512818	February 3, 2014	Notice	$2.00	Mady Steeles 2011 Ltd.	Computershare Trust Company of Canada
AT3512931	February 3, 2014	Postponement		Northbridge Financial Corporation	Computershare Trust Company of Canada
AT3512935	February 3, 2014	Postponement		2307760 Ontario Ltd.	Computershare Trust Company of Canada
AT3606474	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3606475	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT3606476	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3626310	July 7, 2014	Postponement		Computershare Trust Company of Canada	City of Toronto
AT3626311	July 7, 2014	Postponement		Northbridge Financial Corporation	City of Toronto
AT3626312	July 7, 2014	Postponement		2307760 Ontario Ltd.	City of Toronto
AT3660100	August 13, 2014	Notice of Lease	$2	McDonald's Restaurants of Canada Limited	Mady Steeles 2011 Ltd.
AT3758128	December 3, 2014	Construction Lien	$185,734	SCS Consulting Group Ltd.	
AT3759030	December 4, 2014	Certificate of Action		SCS Consulting Group Ltd.	
AT3761116	December 8, 2014	Construction Lien	$1,279,488	Con-Drain Company (1983) Ltd.	
AT3763635	December 11, 2014	Construction Lien	$14,969	CRS Contractors Rental Supply General Partner Inc.	
AT3770413	December 18, 2014	Construction Lien	$455,288	EXP Services Inc.	
AT3771175	December 19, 2014	Construction Lien	$51,540	Turner Fleischer Architects Inc.	
AT3771178	December 19, 2014	Construction Lien	$41,637	Turner Fleischer Architects Inc.	
AT3771181	December 19, 2014	Construction Lien	$51,976	Turner Fleischer Architects Inc.	
AT3771771	December 19, 2014	Construction Lien	$30,105	MacNaughton Hermsen Britton Clarkson Planning Limited	
AT3772603	December 19, 2014	Construction Lien	$54,209	Hammerschlag & Joffe Inc.	
AT3785075	January 13, 2015	Certificate		Con-Drain Company (1983) Ltd.	
AT3795369	January 26, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation; Mady Steeles 2011 Ltd.; Computershare Trust Company of Canada Societe De Fiducie Computershare Du Canada;

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
					Northbridge Financial Corporation Corporation Financiere Northbridge; 2307760 Ontario Ltd.
AT3803274	February 3, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation; Mady Steeles 2011 Ltd.; Mady Contract Division Ltd.; Computershare Trust Company of Canada Societe De Fiducie Computershare Du Canada; Northbridge Financial Corporation Corporation Financiere Northbridge; 2307760 Ontario Ltd.
AT3809343	February 12, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation; Mady Steeles 2011 Ltd.; Computershare Trust Company of Canada Societe De Fiducie Computershare Du Canada; Northbridge Financial Corporation Corporation Financiere Northbridge; 2307760 Ontario Ltd.
AT3810980	February 13, 2015	Certificate		Hammerschlag & Joffe Inc.	Ontario Superior Court of Justice
AT3814560	February 20, 2015	Certificate		CRS Contractors Rental Supply	

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
				General Partner Inc.	
AT3818464	February 25, 2015	Certificate		MacNaughton Hermsen Britton Clarkson Planning Limited	
AT3826412	March 5, 2015	Certificate		Exp Services Inc.	

b) **<u>Instruments to be deleted from PIN No. 06050-0263(LT)</u>**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT2897037	December 15, 2011	Application for Vesting Order	$42,500,000	Ontario Superior Court of Justice	Mady Steeles 2011 Ltd.
AT2897038	December 15, 2011	Charge	$27,500,000	Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT2897039	December 15, 2011	Notice of Assignment of Rents – General		Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT2897040	December 15, 2011	Charge	$15,000,000	Mady Steeles 2011 Ltd.	Northbridge Financial Corporation
AT2897041	December 15, 2011	Notice of Assignment of Rents – General		Mady Steeles 2011 Ltd.	Northbridge Financial Corporation
AT2897042	December 15, 2011	Charge	$6,550,000	Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT2897043	December 15, 2011	Notice of Assignment of Rents – General		Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT3179955	November 21, 2012	Notice		Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT3179956	November 21, 2012	Postponement		Northbridge Financial Corporation	TCC Mortgage Holdings Inc.
AT3179957	November 21, 2012	Postponement		2307760 Ontario Ltd.	TCC Mortgage Holdings Inc.
AT3216796	January 16, 2013	Transfer of Charge		TCC Mortgage Holdings Inc.	Computershare Trust Company of Canada
AT3512818	February 3, 2014	Notice	$2.00	Mady Steeles 2011 Ltd.	Computershare Trust Company of Canada
AT3512931	February 3, 2014	Postponement		Northbridge Financial Corporation	Computershare Trust Company of Canada
AT3512935	February 3, 2014	Postponement		2307760 Ontario Ltd.	Computershare Trust Company of

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
					Canada
AT3606474	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3606475	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3606476	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3626310	July 7, 2014	Postponement		Computershare Trust Company of Canada	City of Toronto
AT3626311	July 7, 2014	Postponement		Northbridge Financial Corporation	City of Toronto
AT3626312	July 7, 2014	Postponement		2307760 Ontario Ltd.	City of Toronto
AT3660100	August 13, 2014	Notice of Lease	$2	McDonald's Restaurants of Canada Limited	Mady Steeles 2011 Ltd.
AT3758128	December 3, 2014	Construction Lien	$185,734	SCS Consulting Group Ltd.	
AT3759030	December 4, 2014	Certificate of Action		SCS Consulting Group Ltd.	
AT3761116	December 8, 2014	Construction Lien	$1,279,488	Con-Drain Company (1983) Ltd.	
AT3770417	December 18, 2014	Construction Lien	$455,288	EXP Services Inc.	
AT3771175	December 19, 2014	Construction Lien	$51,540	Turner Fleischer Architects Inc.	
AT3771181	December 19, 2014	Construction Lien	$51,976	Turner Fleischer Architects Inc.	
AT3772603	December 19, 2014	Construction Lien	$54,209	Hammerschlag & Joffe Inc.	
AT3785075	January 13, 2015	Certificate		Con-Drain Company (1983) Ltd.	
AT3803274	February 3, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation; Mady Steeles 2011 Ltd.; Mady Contract Division Ltd.; Computershare Trust Company of Canada Societe De

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
					Fiducie Computershare Du Canada; Northbridge Financial Corporation Corporation Financiere Northbridge; 2307760 Ontario Ltd.
AT3809343	February 12, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation; Mady Steeles 2011 Ltd.; Computershare Trust Company of Canada Societe De Fiducie Computershare Du Canada; Northbridge Financial Corporation Corporation Financiere Northbridge; 2307760 Ontario Ltd.
AT3810980	February 13, 2015	Certificate		Hammerschlag & Joffe Inc.	Ontario Superior Court of Justice
AT3826412	March 5, 2015	Certificate		EXP Services Inc.	

c) <u>Instruments to be deleted from PIN No. 06050-0264(LT)</u>

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT2897037	December 15, 2011	Application for Vesting Order	$42,500,000	Ontario Superior Court of Justice	Mady Steeles 2011 Ltd.
AT2897038	December 15, 2011	Charge	$27,500,000	Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT2897039	December 15, 2011	Notice of Assignment of Rents - General		Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT2897040	December 15, 2011	Charge	$15,000,000	Mady Steeles 2011 Ltd.	Northbridge Financial Corporation
AT2897041	December 15, 2011	Notice of Assignment of Rents - General		Mady Steeles 2011 Ltd.	Northbridge Financial Corporation
AT2897042	December 15, 2011	Charge	$6,550,000	Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT2897043	December 15, 2011	No Assgn Rent Gen		Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT3179955	November 21, 2012	Notice	$2	Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT3179956	November 21, 2012	Postponement		Northbridge Financial Corporation	TCC Mortgage Holdings Inc.
AT3179957	November 21, 2012	Postponement		2307760 Ontario Ltd.	TCC Mortgage Holdings Inc.
AT3216796	January 16, 2013	Transfer of Charge		TCC Mortgage Holdings Inc.	Computershare Trust Company of Canada
AT3512818	February 3, 2014	Notice	$2	Mady Steeles 2011 Ltd.	Computershare Trust Company of Canada
AT3512931	February. 3, 2014	Postponement		Northbridge Financial Corporation	Computershare Trust Company of Canada
AT3512935	February 3, 2014	Postponement		2307760 Ontario Ltd.	Computershare Trust Company of Canada
AT3540941	March 19, 2014	Notice of Lease		LAF Canada Company	LAF Canada Company
AT3606474	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3606475	June 13,	Notice		McDonald's Restaurants of	

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
	2014			Canada Limited	
AT3606476	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3626310	July 7, 2014	Postponement		Computershare Trust Company of Canada	City of Toronto
AT3626311	July 7, 2014	Postponement		Northbridge Financial Corporation	City of Toronto
AT3626312	July 7, 2014	Postponement		2307760 Ontario Ltd.	City of Toronto
AT3626313	July 7, 2014	Postponement		LAF Canada Company	City of Toronto
AT3660100	August 13, 2014	Notice of Lease		McDonald's Restaurants of Canada Limited	Mady Steeles 2011 Ltd.
AT3758128	December 3, 2014	Construction Lien	$185,734	SCS Consulting Group Ltd.	
AT3759030	December 4, 2014	Certificate		SCS Consulting Group Ltd.	
AT3761116	December 8, 2014	Construction Lien	$1,279,488	Con-Drain Company (1983) Ltd.	
AT3770412	December 18, 2014	Construction Lien	$455,288	EXP Services Inc.	
AT3771175	December 19, 2014	Construction Lien	$51,540	Turner Fleischer Architects Inc.	
AT3771181	December 19, 2014	Construction Lien	$51,976	Turner Fleischer Architects Inc.	
AT3772603	December 19, 2014	Construction Lien	$54,209	Hammerschlag & Joffe Inc.	
AT3785075	January 13, 2015	Certificate		Con-Drain Company (1983) Ltd.	

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT3803274	February 3, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation Mady Steeles 2011 Ltd. Mady Contract Division Ltd. Computershare Trust Company of Canada Societe de Fiducie Computershare du Canada Northbridge Financial Corporation Corporation Financiere Northbridge 2307760 Ontario Ltd.
AT3809343	February 12, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation Mady Steeles 2011 Ltd. Computershare Trust Company of Canada Societe de Fiducie Computershare du Canada Northbridge Financial Corporation Corporation Financiere Northbridge 2307760 Ontario Ltd.
AT3810980	February 13, 2015	Certificate		Hammerschlag & Joffe Inc.	Ontario Superior Court of Justice
AT3826412	March 5, 2015	Certificate		EXP Services Inc.	

d) <u>Instruments to be deleted from PIN No. 06050-0266(LT)</u>

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT2897037	December 15, 2011	Application for Vesting Order	$42,500,000	Ontario Superior Court of Justice	Mady Steeles 2011 Ltd.
AT2897038	December 15, 2011	Charge	$27,500,000	Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT2897039	December 15, 2011	Notice of Assignment of Rents - General		Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT2897040	December 15, 2011	Charge	$15,000,000	Mady Steeles 2011 Ltd.	Northbridge Financial Corporation
AT2897041	December 15, 2011	Notice of Assignment of Rents - General		Mady Steeles 2011 Ltd.	Northbridge Financial Corporation
AT2897042	December 15, 2011	Charge	$6,550,000	Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT2897043	December 15, 2011	Notice of Assignment of Rents - General		Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT3179955	November 21, 2012	Notice	$2	Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT3179956	November 21, 2012	Postponement		Northbridge Financial Corporation	TCC Mortgage Holdings Inc.
AT3179957	November 21, 2012	Postponement		2307760 Ontario Ltd.	TCC Mortgage Holdings Inc.
AT3216796	January 16, 2013	Transfer of Charge		TCC Mortgage Holdings Inc.	Computershare Trust Company of Canada
AT3512818	February 3, 2014	Notice	$2	Mady Steeles 2011 Ltd.	Computershare Trust Company of Canada
AT3512931	February 3, 2014	Postponement		Northbridge Financial Corporation	Computershare Trust Company of Canada

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT3512935	February 3, 2014	Postponement		2307760 Ontario Ltd.	Computershare Trust Company of Canada
AT3540941	March 19, 2014	Notice of Lease		LAF Canada Company	LAF Canada Company
AT3606474	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3606475	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3606476	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3626310	July 7, 2014	Postponement		Computershare Trust Company of Canada	City of Toronto
AT3626311	July 7, 2014	Postponement		Northbridge Financial Corporation	City of Toronto
AT3626312	July 7, 2014	Postponement		2307760 Ontario Ltd.	City of Toronto
AT3626313	July 7, 2014	Postponement		LAF Canada Company	City of Toronto
AT3660100	August 13, 2014	Notice of Lease	$2	McDonald's Restaurants of Canada Limited	Mady Steeles 2011 Ltd.
AT3758128	December 3, 2014	Construction Lien	$185,734	SCS Consulting Group Ltd.	
AT3759030	December 4, 2014	Certificate		SCS Consulting Group Ltd.	
AT3761116	December 8, 2014	Construction Lien	$1,279,488	Con-Frain Company (1983) Ltd.	
AT3763635	December 11, 2014	Construction Lien	$14,969	CRS Contractors Rental Supply General Partner	

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
				Inc.	
AT3770405	December 18, 2014	Construction Lien	$455,288	EXP Services Inc.	
AT3771175	December 19, 2014	Construction Lien	$51,540	Turner Fleischer Architects Inc.	
AT3771181	December 19, 2014	Construction Lien	$51,976	Turner Fleischer Architects Inc.	
AT3772603	December 19, 2014	Construction Lien	$54,209	Hammerschlag & Joffe Inc.	
AT3785075	January 13, 2015	Certificate		Con-Drain Company (1983) Ltd.	
AT3803274	February 3, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation Mady Steeles 2011 Ltd. Mady Contract Division Ltd. Computershare Trust Company of Canada Societe de Fiducie Computershare du Canada Northbridge Financial Corporation Corporation Financiere Northbridge 2307760 Ontario Ltd.

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT3809343	February 12, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation Mady Steeles 2011 Ltd. Mady Contract Division Ltd. Computershare Trust Company of Canada Societe de Fiducie Computershare du Canada Northbridge Financial Corporation Corporation Financiere Northbridge 2307760 Ontario Ltd.
AT3810980	February 13, 2015	Certificate		Hammerschalg & Joffe Inc.	Ontario Superior Court of Justice
AT3814560	February 20, 2015	Certificate		CRS Contractors Rental Supply General Partner Inc.	
AT3826412	March 5, 2015	Certificate		EXP Service Inc.	

e) **Instruments to be deleted from PIN No. 06050-0272(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT2897037	December 15, 2011	Application for Vesting Order	$42,500,000	Ontario Superior Court of Justice	Mady Steeles 2011 Ltd.
AT2897038	December 15, 2011	Charge	$27,500,000	Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT2897040	December 15, 2011	Charge	$15,000,000	Mady Steeles 2011 Ltd.	Northbridge Financial Corporation
AT2897041	December 15, 2011	Notice of Assignment of Rents – General		Mady Steeles 2011 Ltd.	Northbridge Financial Corporation

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT2897042	December 15, 2011	Charge	$6,550,000	Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT2897043	December 15, 2011	Notice of Assignment of Rents – General		Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.
AT2916568	January 11, 2012	Notice of Assignment of Rents – General		Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT2983028	April 3, 2012	Postponement		Northbridge Financial Corporation	TCC Mortgage Holdings Inc.
AT2983029	April 3, 2012	Postponement		2307760 Ontario Ltd.	TCC Mortgage Holdings Inc.
AT3179955	November 21, 2012	Notice		Mady Steeles 2011 Ltd.	TCC Mortgage Holdings Inc.
AT3179956	November 21, 2012	Postponement		Northbridge Financial Corporation	TCC Mortgage Holdings Inc.
AT3179957	November 21, 2012	Postponement		2307760 Ontario Ltd.	TCC Mortgage Holdings Inc.
AT3216796	January 16, 2013	Transfer of Charge		TCC Mortgage Holdings Inc.	Computershare Trust Company of Canada
AT3512818	February 3, 2014	Notice	$2.00	Mady Steeles 2011 Ltd.	Computershare Trust Company of Canada
AT3512931	February 3, 2014	Postponement		Northbridge Financial Corporation	Computershare Trust Company of Canada
AT3512935	February 3, 2014	Postponement		2307760 Ontario Ltd.	Computershare Trust Company of Canada
AT3540941	March 19, 2014	Notice of Lease		LAF Canada Company	LAF Canada Company
AT3606474	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3606475	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3606476	June 13, 2014	Notice		McDonald's Restaurants of Canada Limited	
AT3626310	July 7, 2014	Postponement		Computershare Trust Company of Canada	City of Toronto

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT3626311	July 7, 2014	Postponement		Northbridge Financial Corporation	City of Toronto
AT3626312	July 7, 2014	Postponement		2307760 Ontario Ltd.	City of Toronto
AT3626313	July 7, 2014	Postponement		LAF Canada Company	City of Toronto
AT3660100	August 13, 2014	Notice of Lease	$2	McDonald's Restaurants of Canada Limited	Mady Steeles 2011 Ltd.
AT3758128	December 3, 2014	Construction Lien	$185,734	SCS Consulting Group Ltd.	
AT3759030	December 4, 2014	Certificate of Action		SCS Consulting Group Ltd.	
AT3761116	December 8, 2014	Construction Lien	$1,279,488	Con-Drain Company (1983) Ltd.	
AT3770420	December 18, 2014	Construction Lien	$455,288	EXP Services Inc.	
AT3771175	December 19, 2014	Construction Lien	$51,540	Turner Fleischer Architects Inc.	
AT3771181	December 19, 2014	Construction Lien	$51,976	Turner Fleischer Architects Inc.	
AT3772603	December 19, 2014	Construction Lien	$54,209	Hummerschlag & Joffe Inc.	
AT3785075	January 13, 2015	Certificate		Con-Drain Company (1983) Ltd.	
AT3803274	February 3, 2015	Certificate		Turner Fleischer Architects Inc.	Mady Development Corporation; Mady Steeles 2011 Ltd.; Mady Contract Division Ltd.; Computershare Trust Company of Canada Societe De Fiducie Computershare Du Canada; Northbridge Financial Corporation Corporation Financiere Northbridge; 2307760 Ontario Ltd.
AT3809343	February 12,	Certificate		Turner Fleischer	Mady Development

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
	2015			Architects Inc.	Corporation; Mady Steeles 2011 Ltd.; Computershare Trust Company of Canada Societe De Fiducie Computershare Du Canada; Northbridge Financial Corporation Corporation Financiere Northbridge; 2307760 Ontario Ltd.
AT3810980	February 13, 2015	Certificate		Hammerschlag & Joffe Inc.	Ontario Superior Court of Justice
AT3826412	March 5, 2015	Certificate		EXP Services Inc.	

f) **Additional Claims**

The right to lease and right to occupy any part of the Property pursuant to the agreements listed below or to any related agreements:

(1) Offer to lease dated June 27, 2012 between Mady Steeles 2011 Ltd. and A&W Food Services of Canada Inc., as amended by Offer to Lease Amendment dated July 9, 2013, as further from time to time;

(2) Offer to lease between Mady Steeles 2011 Ltd. and Brar Sweets & Restaurant Ltd. dated March 6, 2014, as amended from time to time;

(3) Offer to Lease between Mady Steeles 2011 Ltd. and Dollarama L.P. dated September 27, 2012, as amended from time to time;

(4) Lease between Mady Steeles 2011 Ltd. and Kitchen Stuff Plus Inc. dated August 21, 2014, as amended by Lease Amending Agreement dated November 14, 2014, as further amended from time to time;

(5) Lease between Mady Steeles 2011 Ltd. and LAF Canada Company dated February 18, 2014, as amended by First Amendment dated June 23, 2014, as further amended from time to time;

(6) Lease between Mady Steeles 2011 Ltd. and McDonald's Restaurants of Canada Limited accepted December 3, 2013, as amended by Lease

Amending Agreement dated August 26, 2014, as further amended from time to time;

(7) Lease between Mady Steeles 2011 Ltd. and Michaels of Canada, ULC, the date of which has not been ascertained as of the date hereof, as amended from time to time;

(8) Lease between Mady Steeles 2011 Ltd. and PETM Canada Corporation dated July 23, 2014, as amended from time to time;

(9) Letter of Intent between Mady Steeles 2011 Ltd. and Sunset Grill Restaurants Ltd. dated December 18, 2013, as amended from time to time;

(10) Offer to Lease between Mady Steeles 2011 Ltd. and The Toronto-Dominion Bank dated July 6, 2012, as amended by Offer to Lease Amending Agreement dated December 19, 2013, as further amended from time to time;

(11) Letter of Intent between Mady Steeles 2011 Ltd. and Winners Merchants International L.P. dated April 30, 2013 and related draft Lease Agreement, as amended from time to time; and

(12) Letter of Intent between Mady Steeles 2011 Ltd. and Kiss Foods Inc. o/a KFC, the date of which has not been ascertained as of the date hereof, as amended from time to time.

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

a) **Assumed Encumbrances from PIN No. 06050-0199(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
66R17070	September 15, 1995	Plan Reference			
C981858	December 12, 1995	Transfer Easement	$200	The Treewood Development Corporation	The Municipality of Metropolitan Toronto
AT1371078	February 5, 2007	Notice	$2	City of Toronto	2811 Development Corporation; Markham Steeles Realty Inc.; Steeles Markham Developments Limited; Bradgate Investments Limited; Runnymede Development Corporation Limited; Tapscott Industrial Landowners Group Inc.
66R23193	July 18, 2007	Plan Reference			
66R23655	April 10, 2008	Plan Reference			
AT1787207	May 26, 2008	Transfer Easement	$2	2811 Development Corporation	Markham Steeles Realty Inc.
66R25114	September 22, 2010	Plan Reference			
AT2616576	February 7, 2011	Notice		Markham Steeles Realty Inc.	
66R26833	June 6, 2013	Plan Reference			
AT3626309	July 7, 2014	Notice	$2	City of Toronto	

b) **Assumed Encumbrances from PIN No. 06050-0263(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT1394850	March 9, 2007	Bylaw		City of Toronto	
66R23217	July 27, 2007	Plan Reference			
AT1520329	July 27, 2007	Application for Absolute Title		2811 Development Corporation	2811 Development Corporation
AT2616576	February 7, 2011	Notice		Markham Steeles Realty Inc.	

66R26833	June 6, 2013	Plan Reference			
AT3626309	July 7, 2014	Notice	$2	City of Toronto	

c) **Assumed Encumbrances from PIN No. 06050-0264(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
66R23217	July 27, 2007	Plan Reference			
AT1520329	July 27, 2007	Application for Absolute Title		2811 Development Corporation	2811 Development Corporation
66R23655	April 10, 2008	Plan Reference			
AT1787207	May 26, 2008	Transfer Easement		2811 Development Corporation	Markham Steeles Realty Inc.
66R25114	September 22, 2010	Plan Reference			
AT2616576	February 7, 2011	Notice		Markham Steeles Realty Inc.	
66R26833	June 6, 2013	Plan Reference			
AT3626309	July 7, 2014	Notice		City of Toronto	

d) **Assumed Encumbrances from PIN No. 06050-0266(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT496819	May 28, 2004	Notice		Norstar Commercial Developments Inc. Gawler Holdings Limited	
66R23210	July 25, 2007	Plan Reference			
AT1517543	July 25, 2007	Application for Absolute Title		2811 Development Corporation	2811 Development Corporation
66R26833	June 6, 2013	Reference Plan			
AT3626309	July 7, 2014	Notice	$2	City of Toronto	

e) **Assumed Encumbrances from PIN No. 06050-0272(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT1309249	November 17, 2006	Bylaw		City of Toronto	
66R23217	July 27, 2007	Plan Reference			
AT1520329	July 27, 2007	Application for Absolute Title		2811 Development Corporation	2811 Development Corporation
66R23655	April 10, 2008	Plan Reference			
AT1787207	May 26, 2008	Transfer Easement	$2	2811 Development Corporation	Markham Steeles Realty Inc.
AT1837423	July 18, 2008	Land Registrar's Order		Land Registrar	
66R25114	September 22, 2010	Plan Reference			
66R26833	June 6, 2013	Plan Reference			
AT3626309	July 7, 2014	Notice	$2	City of Toronto	

COMPUTERSHARE TRUST COMPANY OF CANADA	- and -	**MADY STEELES 2011 LTD.**
Applicant		Respondent

Court File No. CV-15-10897-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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Lawyers for KSV Kofman Inc., in its capacity as Court-appointed receiver of all the lands and premises municipally described as 5789 – 5951 Steeles Avenue East, Toronto, Ontario and all the present and after-acquired assets, undertaking and properties of Mady Steeles 2011 Ltd. in any way relating to these lands and premises.

SCHEDULE B
PERMITTED ENCUMBRANCES

Assumed Encumbrances from PIN No. 06050-0199(LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
66R17070	September 15, 1995	Plan Reference			
C981858	December 12, 1995	Transfer Easement	$200	The Treewood Development Corporation	The Municipality of Metropolitan Toronto
AT1371078	February 5, 2007	Notice	$2	City of Toronto	2811 Development Corporation; Markham Steeles Realty Inc.; Steeles Markham Developments Limited; Bradgate Investments Limited; Runnymede Development Corporation Limited; Tapscott Industrial Landowners Group Inc.
66R23193	July 18, 2007	Plan Reference			
66R23655	April 10, 2008	Plan Reference			
AT1787207	May 26, 2008	Transfer Easement	$2	2811 Development Corporation	Markham Steeles Realty Inc.
66R25114	September 22, 2010	Plan Reference			
AT2616576	February 7, 2011	Notice		Markham Steeles Realty Inc.	
66R26833	June 6, 2013	Plan Reference			
AT3626309	July 7, 2014	Notice	$2	City of Toronto	

Assumed Encumbrances from PIN No. 06050-0263(LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT1394850	March 9, 2007	Bylaw		City of Toronto	
66R23217	July 27, 2007	Plan Reference			
AT1520329	July 27, 2007	Application for Absolute Title		2811 Development Corporation	2811 Development Corporation
AT2616576	February 7, 2011	Notice		Markham Steeles Realty Inc.	
66R26833	June 6, 2013	Plan Reference			

AT3626309	July 7, 2014	Notice	$2	City of Toronto	

Assumed Encumbrances from PIN No. 06050-0264(LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
66R23217	July 27, 2007	Plan Reference			
AT1520329	July 27, 2007	Application for Absolute Title		2811 Development Corporation	2811 Development Corporation
66R23655	April 10, 2008	Plan Reference			
AT1787207	May 26, 2008	Transfer Easement		2811 Development Corporation	Markham Steeles Realty Inc.
66R25114	September 22, 2010	Plan Reference			
AT2616576	February 7, 2011	Notice		Markham Steeles Realty Inc.	
66R26833	June 6, 2013	Plan Reference			
AT3626309	July 7, 2014	Notice		City of Toronto	

Assumed Encumbrances from PIN No. 06050-0266(LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT496819	May 28, 2004	Notice		Norstar Commercial Developments Inc. Gawler Holdings Limited	
66R23210	July 25, 2007	Plan Reference			
AT1517543	July 25, 2007	Application for Absolute Title		2811 Development Corporation	2811 Development Corporation
66R26833	June 6, 2013	Reference Plan			
AT3626309	July 7, 2014	Notice	$2	City of Toronto	

Assumed Encumbrances from PIN No. 06050-0272(LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT1309249	November 17, 2006	Bylaw		City of Toronto	
66R23217	July 27, 2007	Plan Reference			
AT1520329	July 27, 2007	Application for Absolute Title		2811 Development Corporation	2811 Development Corporation
66R23655	April 10, 2008	Plan Reference			
AT1787207	May 26, 2008	Transfer Easement	$2	2811 Development Corporation	Markham Steeles Realty Inc.
AT1837423	July 18, 2008	Land Registrar's Order		Land Registrar	
66R25114	September 22, 2010	Plan Reference			
66R26833	June 6, 2013	Plan Reference			
AT3626309	July 7, 2014	Notice	$2	City of Toronto	

SCHEDULE C
REAL PROPERTY LEASES

1. Lease in favour of McDonald's Restaurants of Canada Limited, notice of which is registered as Instrument No. AT3660100 on August 13, 2014.

2. Lease in favour of LAF Canada Company, notice of which is registered as Instrument No. AT3540941 on March 19, 2014.

3. Offer to lease dated June 27, 2012 between Mady Steeles 2011 Ltd. and A&W Food Services of Canada Inc., as amended by Offer to Lease Amendment dated July 9, 2013, as further from time to time.

4. Offer to lease between Mady Steeles 2011 Ltd. and Brar Sweets & Restaurant Ltd. dated March 6, 2014, as amended from time to time.

5. Offer to Lease between Mady Steeles 2011 Ltd. and Dollarama L.P. dated September 27, 2012, as amended from time to time.

6. Lease between Mady Steeles 2011 Ltd. and Kitchen Stuff Plus Inc. dated August 21, 2014, as amended by Lease Amending Agreement dated November 14, 2014, as further amended from time to time.

7. Lease between Mady Steeles 2011 Ltd. and LAF Canada Company dated February 18, 2014, as amended by First Amendment dated June 23, 2014, as further amended from time to time.

8. Lease between Mady Steeles 2011 Ltd. and McDonald's Restaurants of Canada Limited accepted December 3, 2013, as amended by Lease Amending Agreement dated August 26, 2014, as further amended from time to time.

9. Lease between Mady Steeles 2011 Ltd. and Michaels of Canada, ULC, the date of which has not been ascertained as of the date hereof, as amended from time to time.

10. Lease between Mady Steeles 2011 Ltd. and PETM Canada Corporation dated July 23, 2014, as amended from time to time.

11. Letter of Intent between Mady Steeles 2011 Ltd. and Sunset Grill Restaurants Ltd. dated December 18, 2013, as amended from time to time.

12. Offer to Lease between Mady Steeles 2011 Ltd. and The Toronto-Dominion Bank dated July 6, 2012, as amended by Offer to Lease Amending Agreement dated December 19, 2013, as further amended from time to time.

13. Letter of Intent between Mady Steeles 2011 Ltd. and Winners Merchants International L.P. dated April 30, 2013 and related draft Lease Agreement, as amended from time to time.

14. Letter of Intent between Mady Steeles 2011 Ltd. and Kiss Foods Inc. o/a KFC, the date of which has not been ascertained as of the date hereof, as amended from time to time.

SCHEDULE D
LEGAL DESCRIPTION OF LANDS

PIN 06050-0199 (LT)

PT LOTS 18 & 19, CON 5; PT ROAD ALLOWANCE BETWEEN LOTS 18 & 19 CON 5, AS CLOSED BY-LAW 406 BEING PT OF PT 1 66R12477 LYING NORTH OF PLAN 66M1996; SAVE & EXCEPT PT OF LOTS 18 & 19 CON 5 PT 1 66R16987...SUBJ. TO EASE. OVER PTS 1 & 2 66R17070 AS IN C981858. SCARBOROUGH, CITY OF TORONTO; S/T EASEMENT OVER PART 37 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

PIN 06050-0266 (LT)

PT LT 20 CON 5 SCARBOROUGH DESIGNATED AS PT 1 PL 66R23210; SCARBOROUGH; CITY OF TORONTO

PIN 06050-0263 (LT)

PART OF LOT 19 CON 5, SCARBOROUGH, DESIGNATED AS PART 1 ON PLAN 66R-23217, CITY OF TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 &25 PL 66R23655 AS IN AT1787250

PIN 06050-0264 (LT)

PART LOT 18 CON 5, SCARBOROUGH; PT RDAL BTN LOTS 18 AND 19, CON 5, SCARBOROUGH (CLOSED BY BY-LAW NO. 406 AS IN SC608215), CITY OF TORONTO, DESIGNATED AS PART 2 ON PLN 66R-23217; S/T EASEMENT OVER 38 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655

PIN 06050-0272 (LT)

PT LOT 18 CON. 5 SCARBOROUGH, PT 3 PL 66R23217 SAVE AND EXCEPT PT 32 PL 66R23655; CITY OF TORONTO; S/T EASEMENT OVER PT 36 66R23655 AS IN AT1787207; T/W ROW OVER PT 32 66R23655 AS IN AT1787644; T/W EASEMENT OVER PT 35 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

Appendix "F"

AIRD & BERLIS LLP
Barristers and Solicitors

Steven L. Graff
Direct: 416-865-7726
Email: sgraff@airdberlis.com

March 9, 2015

VIA EMAIL

Duff & Phelps Canada Restructuring Inc.
333 Bay Street, 14th Floor
Toronto, ON M5H 2R2

Attention: Robert Kofman and Noah Goldstein

Dear Mr. Kofman and Mr. Goldstein:

Re: Receivership of Mady Steeles 2011 Ltd. (the "Debtor")

Duff & Phelps Canada Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of all the lands and premises municipally described as 5789 – 5951 Steeles Avenue East, Toronto, Ontario (collectively, the "**Lands**") and all the present and after-acquired assets, undertakings and properties of the Debtor in any way relating to the Lands (collectively, together with the Lands, the "**Property**"), has requested our opinion concerning the perfection of the security documents herein discussed that were granted or assigned, as the case may be, to TCC Mortgage Holdings Inc. ("**TCCMH**") and/or Computershare Trust Company of Canada ("**Computershare**", and, together with TCCMH, the "**Secured Creditor**") by the Debtor. We confirm that we have received and reviewed the security documents granted by the Debtor in favour of the Secured Creditor described herein, and hereby provide you with our opinion concerning the perfection of same.

A. DOCUMENTS EXAMINED AND SEARCHES CONDUCTED

In connection with the opinions contained in this letter, we have examined a copy of the following (collectively, the "**Security**"):

1. a commitment letter dated October 1, 2011 and executed by Trez Capital Corporation (on its own behalf and for its nominee) (the "**Initial Lender**"), Mady Development Corporation (on its own behalf or a single purpose affiliate thereof) (the "**Initial Borrower**") and each of the "**Guarantors**" (as defined therein) on October 2, 2011, pursuant to which the Initial Lender extended a term loan to the Initial Borrower in the maximum principal amount of $27,500,000 by way of first mortgage financing to assist the Initial Borrower with purchasing the Lands, as such commitment letter was renewed and amended by a letter agreement dated October 4, 2012 and accepted by the Debtor and each of the Guarantors on October 16, 2012 and that increased the maximum principal amount of the term loan to $35,000,000, as further renewed and amended by a letter agreement dated September 23, 2013 and accepted by the Debtor and each of the Guarantors on September 24, 2013, and as further renewed and amended by an agreement dated May 1, 2014 and accepted by the Debtor and each of the Guarantors on

May 1, 2014 (collectively, as may be amended, supplemented, replaced or renewed from time to time, the "**Credit Agreement**");

2. a direction to borrower dated December 14, 2011, granted and executed by Mady Steeles Investments Ltd. ("**MSIL**") and 2118278 Ontario Limited (together with MSIL, the "**Beneficial Owners**") to the Debtor, irrevocably authorizing and directing the Debtor to complete the transaction contemplated by and in accordance with the Credit Agreement and to provide all security and execute all documents necessary and incidental thereto (collectively, the "**Credit Agreement Direction**");

3. a first charge/mortgage in the principal amount of $27,500,000 on the Lands, granted by the Debtor to TCCMH and registered on title on December 15, 2011 as Instrument Number AT2897038 (the "**TCCMH Charge**");

4. a registered general assignment of rents in respect of the Lands, except for 5951 Steeles Avenue East, granted by the Debtor to TCCMH and registered on title on December 15, 2011 as Instrument No. AT2897039 (the "**Initial TCCMH Rents**");

5. a second charge/mortgage in the principal amount of $15,000,000 in respect of the Lands, granted by the Debtor to Northbridge Financial Corporation ("**NFC**") and registered on title on December 15, 2011 as Instrument Number AT2897040 (the "**NFC Charge**");

6. a registered general assignment of rents in respect of the Lands, granted by the Debtor to NFC and registered on title on December 15, 2011 as Instrument Number AT2897041 (the "**NFC Rents**");

7. a third charge/mortgage in the principal amount of $6,500,000 in respect of the Lands, granted by the Debtor to 2307760 Ontario Ltd. ("**230**") and registered on title on December 15, 2011 as Instrument Number AT2897042 (the "**230 Charge**");

8. a registered general assignment of rents in respect of the Lands, granted by the Debtor to 230 and registered on title on December 15, 2011 as Instrument Number AT2897043 (the "**230 Rents**");

9. a general security agreement dated December 19, 2011, granted by the Debtor to TCCMH (the "**GSA**");

10. a registered general assignment of rents in respect of 5951 Steeles Avenue East, granted by the Debtor to TCC and registered on title on January 11, 2012 as Instrument No. AT2916568 (the "**Additional TCCMH Rents**");

11. a postponement of the NFC Rents in favour of the Additional TCCMH Rents, granted by NFC to TCCMH and registered on title on April 3, 2012 as Instrument Number AT2983028 (the "**NFC-TCCMH Rents Postponement**");

12. a postponement of the 230 Rents in favour of the Additional TCCMH Rents, granted by 230 to TCCMH and registered on title on April 3, 2012 as Instrument Number AT2983029 (the "**230-TCCMH Rents Postponement**");

13. a "direction to borrower" dated November 16, 2012, granted and executed by the Beneficial Owners to the Debtor, irrevocably authorizing and directing the Debtor to complete the transaction contemplated by and in accordance with the Credit Agreement (as renewed and amended on October 4, 2012) and to provide all security and execute all documents necessary and incidental thereto (collectively, the "**2012 Credit Agreement Amendment Direction**");

14. a registered notice of amendments to the TCCMH Charge to, amongst other things, amend the principal sum secured to $35,000,000 and amend the balance due date, registered on title on November 21, 2012 as Instrument Number AT3179955 (the "**TCCMH Notice**"), together with an agreement amending charge/mortgage between the Debtor and TCCMH dated November 21, 2012;

15. a postponement of the NFC Charge in favour of the TCCMH Notice, granted by NFC to TCCMH and registered on title on November 21, 2012 as Instrument Number AT3179956 (the "**NFC-TCCMH Notice Postponement**");

16. a postponement of the 230 Charge in favour of the TCCMH Notice, granted by 230 to TCCMH and registered on title on November 21, 2012 as Instrument Number AT3179957 (the "**230-TCCMH Notice Postponement**");

17. a transfer of charge of the TCCMH Charge, transferred by TCCMH to Computershare and registered on title on January 16, 2013 as Instrument Number AT3216796 (the "**TCCMH-Computershare Transfer**");

18. a "direction to borrower" dated October 1, 2013, granted and executed by the Beneficial Owners to the Debtor, irrevocably authorizing and directing the Debtor to complete the transaction contemplated by and in accordance with the Credit Agreement (as renewed and amended on September 23, 2013) and to provide all security and execute all documents necessary and incidental thereto (collectively, the "**2013 Credit Agreement Amendment Direction**");

19. a registered notice of amendments to the TCCMH Charge to, amongst other things, amend the balance due date, registered on title on February 3, 2014 as Instrument Number AT3512818 (the "**Computershare Notice**"), together with an agreement amending charge/mortgage between the Debtor and Computershare dated October 1, 2013;

20. a postponement of the NFC Charge in favour of the Computershare Notice, granted by NFC to Computershare and registered on title on February 3, 2014 as Instrument Number AT3512931 (the "**NFC-Computershare Notice Postponement**");

21. a postponement of the 230 Charge in favour of the Computershare Notice, granted by 230 to Computershare and registered on title on February 3, 2014 as Instrument Number AT3512935 (the "**230-Computershare Notice Postponement**");

22. a notice pursuant to Section 71 of the *Land Titles Act* (Ontario) from the City of Toronto and registered on title on July 7, 2014 as Instrument Number AT3626309 (the "**City**

Section 37 Agreement"), together with a Section 37 Agreement dated July 2, 2014, between the Debtor and the City of Toronto; and

23. a postponement of the TCCMH Charge and the TCCMH-Computershare Transfer in favour of the City Section 37 Agreement, granted by Computershare to the City of Toronto and registered on title on July 7, 2014 as Instrument No. AT3626310 (the "**Computershare-City Postponement**").

In connection with the opinions contained herein, we have conducted the following searches:

1. a certified search from the Ontario Personal Property Registration System against the Debtor with file currency of February 23, 2015 (the "**PPSA Search**"); and

2. a review of the parcel pages corresponding to the Lands, being PIN 06050-0199 (LT), PIN 06050-0266 (LT), PIN 06050-0263 (LT), PIN 06050-0264 (LT) and PIN 06050-0272 (LT).

We have conducted no further searches in connection with the opinions contained herein, and accordingly our opinion is so limited to the aforementioned documents and searches. You have not requested that we expand the scope of our review or make enquiries of any further documents or searches.

B. <u>OPINIONS</u>

<u>GSA</u>

We have reviewed the GSA and note that it appears to be properly executed and delivered on behalf of the Debtor by Charles Mady in his capacity as President. We see no irregularity in the GSA and expect that it is enforceable in accordance with its terms.

Registration under the *Personal Property Security Act* (Ontario) (the "**PPSA**") in respect of the GSA was made on December 14, 2011, under Reference File No. 675046791 and Registration No. 20111214 1020 1862 6522, the assignment of which to Computershare was reflected under Registration No. 20130116 0945 1862 6257. This registration covers "Inventory", "Equipment", "Accounts" and "Other" and includes a general collateral description of "Security relating to 5789-5951 Steeles Avenue East, Toronto, Ontario". This registration appears to be in good order with an expiry date of December 14, 2018. **We therefore conclude that the GSA represents a valid and perfected security interest in the assets and undertaking of the Debtor described therein, being all of the Debtor's inventory, equipment, accounts and book debts, business records, contractual rights, insurance claims, monies, goods, chattels and fixtures, all located on the Lands and belonging to and owned by the Debtor and any replacements thereof.**

<u>Charge</u>

We have reviewed the TCCMH Charge, together with the TCCMH Notice, the TCCMH-Computershare Transfer and the Computershare Notice (collectively, the "**Charge**") in the amount of $35,000,000 granted by the Debtor to the Secured Creditor. The Charge secures all liabilities and obligations of the Debtor to the Secured Creditor and is subject to Standard Charge Terms 200033. We have also reviewed the Credit Agreement Direction, the 2012 Credit Agreement Amendment Direction and the 2013 Credit Agreement Amendment Direction (together with the Credit Agreement Direction and the 2012 Credit Agreement Amendment Direction, the "**Directions**"), which Directions were executed by the Beneficial Owners, being the beneficial owners of the Lands, and which Directions authorized and directed the execution of, respectively, the TCCMH Charge, the TCCMH Notice and the Computershare Notice. We see no irregularity in the Charge and the Directions and expect that they are enforceable in accordance with their terms.

We have also been provided with and have reviewed the Credit Agreement. We note that the original Credit Agreement was executed by the Initial Lender and the Initial Borrower, and not by the Debtor or the Secured Creditor. We also note that the renewals and amendments to the Credit Agreement dated October 4, 2012, September 23, 2013 and May 1, 2014, were each executed by Trez Capital Limited Partnership (by its general partner, Trez Capital (2011) Corporation) ("**TCLP**") and not by the Secured Creditor. Our opinion is therefore qualified by an assumption that each of the Debtor and the Secured Creditor has agreed to and performed all the necessary steps to be bound by the terms of the Credit Agreement.

We also note that the renewal and amendment to the Credit Agreement dated May 1, 2014 (the "**2014 Renewal Agreement**") has not been registered on title, and that we have not been provided with a direction to any of TCLP, TCCMH or Computershare authorizing and directing that such agreement be entered into by the Beneficial Owners of the Lands. Accordingly, we are unable to confirm that the 2014 Renewal Agreement was authorized by the Beneficial Owners. We have also not been provided with an executed postponement from NFC and 230 in respect to the 2014 Renewal Agreement and therefore, to the extent that such agreement increases the liability of the Debtor to the Secured Creditor, such incremental liability may not enforceable. In practice, however, we observe that the 2014 Renewal Agreement appears to confer benefits primarily on the Debtor and not the Secured Creditor, and therefore the validity of the 2014 Renewal Agreement is not likely to be challenged as a practical matter.

As is normally the case for mortgaged security, we have not performed a full title search. We have, however, reviewed the registered documents shown on the parcel registers for the Lands. The Debtor remains the registered owner of the Lands. Each of NFC and 230 has also registered a charge/mortgage on title to the Lands on December 15, 2011. However, pursuant to the terms of the NFC-TCCMH Notice Postponement and the 230-TCCMH Notice Postponement, each registered on title to the Lands on November 21, 2012, and the NFC-Computershare Notice Postponement and the 230-Computershare Notice Postponement, each registered on title to the Lands on February 3, 2014, each of NFC and 230 has postponed its interest in the Lands to the Secured Creditor. In addition, the Secured Creditor postponed its interest in the Lands to the City Section 37 Agreement pursuant to the Computershare-City Postponement.

Based exclusively upon our review of the aforementioned searches and documents, we confirm that the Debtor appears to hold good and valid title to the Lands (subject to the beneficial interest, if any, of the Beneficial Owners) and that Computershare holds a good and valid first charge in and to the Lands (subject to the financial obligations in favour of the City of Toronto pursuant to the Section 37 Agreement).

General Assignment of Rents

We have reviewed the Initial TCCMH Rents and confirm that it was registered in the Land Registry Office for the Land Title Division of Toronto (No. 66) on December 15, 2011 as Instrument No. AT2897039 against the lands identified in PIN 06050-0199 (LT), PIN 06050-0266 (LT), PIN 06050-0263 (LT) and PIN 06050-0264 (LT). We have also reviewed the Additional TCCMH Rents and confirm that it was registered in the Land Registry Office for the Land Title Division of Toronto (No. 66) on January 11, 2012 as Instrument No. AT2916568 against the lands identified in PIN 06050-0272 (LT). The TCCMH Rents and the Additional TCCMH Rents are collectively, hereinafter referred to the "**Assignment of Rents**". The Assignment of Rents is granted by the Debtor to the Secured Creditor as collateral security for the due payment and performance of all present and future debts, liabilities and obligations under the Charge. We see no irregularity in the Assignment of Rents and expect that it is enforceable in accordance with its terms.

A review of the parcel page identified as PIN 06050-0272 (LT) reveals that the NFC Rents and the 230 Rents were registered ahead of the Additional TCCMH Rents. However, pursuant to the terms of the NFC-TCCMH Rents Postponement and the 230-TCCMH Rents Postponement registered on title to the Lands on April 3, 2012, each of NFC and 230 has postponed its interest in the Lands to the Secured Creditor. In addition, the PPSA registration reviewed above in connection with the GSA would also cover the rents assigned by the Assignment of Rents. Based exclusively upon our review of the aforementioned searches and documents, we therefore conclude that the Assignment of Rents represents a valid and perfected security interest in the rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the rents and to enforce payment thereof in the name of the Debtor or the owner from time to time of the Lands.

Conclusions:

Based on and limited by the foregoing, and subject to the assumptions and qualifications herein contained, we are of the opinion that:

1. **the security interests created by the GSA in the collateral described therein have been properly perfected under the PPSA (to the extent required) and would rank in priority to the interest of a trustee in bankruptcy in the assets, properties and undertakings of the Debtor which are described in the GSA and are located in the Province of Ontario, or, in the case of accounts, where the party obligated to pay an account is a resident of the Province of Ontario;**

2. **the Charge has been registered against title to the Lands and constitutes a valid and enforceable Charge in favour of Computershare; and**

3. **the Assignment of Rents has been registered against title to the Lands and constitutes a valid and enforceable Assignment of Rents in favour of Computershare.**

C. OTHER PPSA REGISTRATIONS

We note that there are other PPSA registrations made by other companies and/or individuals against the Debtor. In particular, each of NFC and 230 has made registrations against the Debtor. Details of those registrations are attached hereto at **Schedule "A"**. We have not reviewed the security documents with respect to these registrations and express no opinion with respect these registrations or the documents or security to which they relate.

D. OTHER REGISTRATIONS ON TITLE

In addition to those instruments identified above, we note that there are additional encumbrances registered on title to the Lands. We have not reviewed these instruments and express no opinion with respect to these registrations. We have, however, attached a list of the mortgages and related security in the chart attached hereto at **Schedule "B"**.

E. ASSUMPTIONS

In connection with the opinions contained herein, we have assumed the following:

1. each of the Debtor and the Secured Creditor has agreed and performed all necessary steps to be bound by the terms of the Credit Agreement;

2. a full title search would confirm that the Debtor holds good and valid title to the Lands (subject to the beneficial interest, if any, of the Beneficial Owners) and that Computershare holds a good and valid first charge in and to the Lands (subject to the financial obligations in favour of the City of Toronto pursuant to the Section 37 Agreement);

3. the entering into, execution and delivery of the Security to the Secured Creditor has been duly authorized by all necessary resolutions and other corporate actions on the part of the Debtor, as applicable;

4. the Security has been executed and delivered to the Secured Creditor by a director and/or officer of the Debtor, as applicable, duly authorized to execute and deliver those documents, and the signatures on the copies of the Security examined by us are that of the duly authorized director and/or officer of the Debtor, as applicable;

5. the Security constitutes security for obligations of the Debtor to the Secured Creditor, subject to the requirements of the PPSA, the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), the *Mortgages Act* (Ontario) and the *Planning Act* (Ontario);

6. the Security has been unconditionally delivered by the Debtor to the Secured Creditor, as applicable;

7. the Security has not been assigned, released, discharged or otherwise impaired, either in whole or in part;

8. the financing statements filed under the PPSA in respect of the Security, if any, were completed in compliance with the regulations under the PPSA and copies thereof were delivered to the Debtor in accordance with the provisions of the PPSA;

9. the Debtor is indebted to the Secured Creditor and the Debtor received adequate consideration for the grant of the Security;

10. the genuineness of the signatures and the conformity to authentic original documents of the documents submitted to us as photocopies, electronic copies or fax copies, and that all documents were fully completed prior to signature;

11. "Mady Steeles 2011 Ltd." was the proper legal name of the Debtor at the time of execution and delivery of the Security, and that its name has not subsequently been changed;

12. the Debtor was a valid and subsisting corporation at the time of execution and delivery of the Security;

13. the copy of the PPSA Search examined by us in connection with the opinions given herein was complete and accurate when examined and continues to reflect registrations against the Debtor as of the date hereof;

14. both the Debtor and the Secured Creditor intended the security interests created by the Security to attach, value has been given and the Debtor obtained rights in the collateral secured by the Security; and

15. all facts set forth in official public records and other documents supplied by public officials or otherwise conveyed to us by public officials are complete, true and accurate.

F. QUALIFICATIONS

The opinions that we have expressed in this letter are further subject to the following qualifications:

1. we express no opinion as to the right, title or interest of the Debtor in or to the Lands or any of the Property;

2. we express no opinion on whether any secured party may have a perfected purchase money security interest which may exist in respect of any of the Property;

3. we express no opinion as to whether a security interest was created in the following property:

   (a) property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement to the extent that the terms of such property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given;

(b) permits, quotas or licenses which are held by or issued to the Debtor; and

(c) federal crown debts;

4. we have made no searches under certain statutes, including the *Copyright Act* (Canada), the *Patent Act* (Canada) and the *Trade-marks Act* (Canada), to confirm that the Secured Creditor has made registrations that may be necessary to perfect its security interests, if any, in intellectual property;

5. we express no opinion as to the ranking or priority of any of the Security in relation to the security interests, liens (including construction liens and any holdbacks required to be maintained pursuant to the *Construction Lien Act* (Ontario)) or trust claims of any other party, if any. In this regard, we note that there are several construction liens and related certificates of action registered on title to the Lands, some of which purport to claim priority over the Charge;

6. the validity, binding effect and enforceability of the Security may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium, or other similar laws affecting the enforceability of creditors' rights generally;

7. the rights and remedies of the Secured Creditor contained in the Security may be subject to and affected by general principles of equity;

8. no opinion is expressed as to the enforceability of any provision in the Security which suggests that modifications, amendments or waivers of or with respect to any of the Security that are not in writing will not be effective;

9. no opinion is given regarding any provision in the Security which purports to relieve a person from a liability or duty otherwise owed or to require compliance regardless of law;

10. we express no opinion as to the effect of those provisions of the Security which purport to allow the severance of invalid, illegal or unenforceable provisions or restricting their effect;

11. enforcement of the Security may be affected or limited by any collateral agreements or arrangements relating thereto entered into between the parties thereto, of which we are not aware;

12. enforcement of the rights to indemnity, contribution and waiver of contribution may be limited or voided by applicable law and may not be ordered by a court on grounds of public policy;

13. the enforceability of the Security is subject to the *Limitations Act, 2002* (Ontario), and we express no opinion as to whether a court may find that any provision of the Security will be unenforceable as an attempt to vary or exclude a limitation period under that statute;

14. we express no opinion as to the enforceability of any provision of the Security which may be characterized by a court as an unenforceable penalty and not as a genuine pre-estimate of damages;

15. we express no opinion as to the application of the *Securities Act* (Ontario);

16. we express no opinion as to the enforceability of any provision of the Security:

    (a) which purports to waive all defences which might be available to, or constitute a discharge of the liability of, the Debtor or any of the Guarantors;

    (b) to the extent it purports to exculpate, or provide indemnity to, the Secured Creditor, its agents or any receiver, manager or receiver–manager appointed by it from liability in respect of acts or omissions which may be illegal, fraudulent or involve wilful misconduct; or

    (c) which states that amendments or waivers of or with respect to the Security that are not in writing will not be effective;

17. we express no opinion as to any provision of the Security which states that any failure to exercise, or any delay in exercising, any right or remedy shall not operate as a waiver thereof;

18. we have not explored and express no opinion as to whether the Security may be successfully attacked as a preference under section 95 of the BIA or any similar provincial legislation;

19. a waiver of a provision of applicable law may not be effective;

20. any provision which is considered to offend public policy or to contravene laws of public order may not be enforceable;

21. to the extent that the Security purports to extend the benefit thereof to persons who are not parties to the Security, those persons may be unable to enforce that benefit;

22. no opinion is given as to security interests which are not registered on title to the Lands;

23. the enforceability of the Charge may be subject to the terms of any instruments or encumbrances registered on title to the Lands in priority to the Charge or any instruments or encumbrances to which the Secured Creditor has agreed to postpone registered on title to the Lands subsequent to the Charge; and

24. we have not conducted any title or off-title searches in connection with the Lands other than a review of the parcel pages. Without limiting the generality of the foregoing, we have not conducted any searches for compliance of the Charge or the Debtor's title to the Lands with the terms of the *Planning Act* (Ontario).

The opinions that we have expressed in this letter are limited to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario. We trust that the foregoing opinions are satisfactory for your purposes. If you should have any questions or require further clarification in any respect, please do not hesitate to contact us.

Yours very truly,

AIRD & BERLIS LLP

Steven L. Graff
SLG/ia/jn

SCHEDULE "A"
PPSA SEARCH SUMMARY

Enquiries and searches were made against Mady Steeles 2011 Ltd. at the registration system maintained pursuant to the PPSA. The currency of each of the PPSA searches is February 23, 2015. Such enquiries and searches failed to disclose any undischarged registrations, filings or recordings with respect to the aforementioned names except as follows:

Legend:

A -	Accounts	**DOM -**	Date of Maturity	**I -**	Inventory	**O -**	Other
CF -	Caution Filing	**E -**	Equipment	**MV -**	Motor Vehicle	**RSLA -**	*Repair & Storage Lien Act*
CG -	Consumer Goods	**GCD -**	General Collateral Description	**NFMD -**	No Fixed Maturity Date	**$ -**	Amount

Mady Steeles 2011 Ltd.						
	Registration Number	**File Number**	**Expiry Date**	**Debtor**	**Secured Party**	**Collateral Classification/Description**
1.	20111214 1020 1862 6522 Assignment from TCC Mortgage Holdings Inc. by 20130116 0945 1862 6527 Renewed for 5 years by 20131114 1117 1862 9000	675046791	Dec 14, 2018	Mady Steeles 2011 Ltd. Mady Steeles Investments Ltd. 2118278 Ontario Ltd.	Computershare Trust Company of Canada	I, E, A, O GCD: see below
	General Collateral Description: Security relating to 5789-5951 Steeles Avenue East, Toronto, Ontario					
2.	20111214 1622 1793 7954	675067608	Dec 14, 2016	Mady Steeles 2011 Ltd.	Northbridge Financial Corporation	I, E, A, O GCD: see below
	General Collateral Description: Security relating to 5789-5951 Steeles Avenue East, Toronto, Ontario					
3.	20111214 1623 1793 7955	675067752	Dec 14, 2015	Mady Steeles 2011 Ltd.	2307760 Ontario Ltd.	I, E, A, O GCD: see below
	General Collateral Description: Security relating to 5789-5951 Steeles Avenue East, Toronto, Ontario					

SCHEDULE "B"

LANDS AND OUTSTANDING CHARGES

(Please note that the below encumbrances do not include by-laws, easements, transfers and/or plan references)

PIN 06050-0199 (LT) - Municipal Address: 5789 Steeles Avenue East, Toronto

1. Notice from the City of Toronto registered on February 5, 2007 as Instrument No. AT1371078 to 2811 Development Corporation, Markham Steeles Realty Inc., Steeles Markham Developments Limited, Bradgate Investments Limited, Runnymeded Development Corporation Limited and Tapscott Industrial Landowners Group Inc.
2. Notice from Markham Steeles Realty Inc. registered on February 7, 2011 as Instrument No. AT2616576
3. Notice of a Non-Disturbance Agreement from McDonald's Restaurants of Canada Limited registered on June 13, 2014 as Instrument No. AT3606474
4. Notice from McDonald's Restaurants of Canada Limited registered on June 13, 2014 as Instrument No. AT3606475
5. Notice from McDonald's Restaurants of Canada Limited registered on June 13, 2014 as Instrument No. AT3606476
6. Postponement from Northbridge Financial Corporation registered on July 7, 2014 as Instrument No. AT3626311
7. Postponement from 2307760 Ontario Ltd. registered on July 7, 2014 as Instrument No. AT3626312
8. Notice of Lease from McDonald's Restaurants of Canada Limited registered on August 13, 2014 as Instrument No. AT3660100
9. $185,734 Construction Lien in favour of SCS Consulting Group Ltd. registered on December 3, 2014 as Instrument No. AT3758128, together with a Certificate of Action registered on December 4, 2014 as Instrument No. AT3759030
10. $1,279,488 Construction Lien in favour of Con-Drain Company (1983) Ltd. registered on December 8, 2014 as Instrument No. AT3761116, together with a Certificate registered on January 13, 2015 as Instrument No. AT3785075
11. $14,969 Construction Lien in favour of CRS Contractors Rental Supply General Partner Inc. registered on December 11, 2014 as Instrument No. AT3763635 [together with a Certificate registered on February 20, 2015 as Instrument No. AT3814560]
12. $455,288 Construction Lien in favour of EXP Services Inc. registered on December 18, 2014 as Instrument No. AT3770413
13. $51,540 Construction Lien in favour of Turner Fleisher Architects Inc. registered on December 19, 2014 as Instrument No. AT3771175, together with a Certificate of Action registered on February 12, 2015 as Instrument No. AT3809343 to each of Mady Development Corporation, Mady Steeles 2011 Ltd., Computershare Trust Company of Canada, Northbridge Financial Corporation and 2307760 Ontario Ltd.
14. $41,637 Construction Lien in favour of Turner Fleisher Architects Inc. registered on December 19, 2014 as Instrument No. AT3771178, together with a Certificate registered on January 26, 2015 as Instrument No. AT3795369 to each of Mady Development Corporation, Mady Steeles 2011 Ltd., Computershare Trust Company of Canada, Northbridge Financial Corporation and 2307760 Ontario Ltd.

15. $51,976 Construction Lien in favour of Turner Fleisher Architects Inc. registered on December 19, 2014 as Instrument No. AT3771181, together with a Certificate of Action registered on February 3, 2015 as Instrument No. AT37803274 to each of Mady Development Corporation, Mady Steeles 2011 Ltd., Mady Contract Division Ltd., Computershare Trust Company of Canada, Northbridge Financial Corporation and 2307760 Ontario Ltd.
16. $30,105 Construction Lien in favour of MacNaughton Hermsen Britton Clarkson Planning Limited registered on December 19, 2014 as Instrument No. AT3771771
17. $54,209 Construction Lien in favour of Hammerschlag & Joffe Inc. registered on December 19, 2014 as Instrument No. AT3772603, together with a Certificate of Action registered on February 13, 2015 as Instrument No. AT3810980 to the Ontario Superior Court of Justice

PIN 06050-0266 (LT) - Municipal Address: 5811 Steeles Avenue East, Toronto
In addition to the encumbrances identified in items 3 to 11, 13, 15 to 17 in PIN 06050-0199 (LT) our review of PIN 06050-0266 reveals the following additional encumbrances:

18. Notice Norstar Commercial Developments Inc. and Gawler Holdings Limited registered on May 28, 2004 as Instrument No. AT496819
19. Notice of Lease from LAF Canada Company registered on March 19, 2014 as Instrument No. AT3540941, together with a postponement from LAF Canada Company to the City of Toronto register on July 7, 2014 as Instrument No. AT3626313
20. $455,288 Construction Lien in favour of EXP Services Inc. registered on December 18, 2014 as Instrument No. AT3770405

PIN 06050-0263 (LT) - Municipal Address: 5933 Steeles Avenue East, Toronto
In addition to the encumbrances identified in items 2 to 10, 13, 15 and 17 in PIN 06050-0199 (LT) our review of PIN 06050-0263 reveals the following additional encumbrances:

21. $455,288 Construction Lien in favour of EXP Services Inc. registered on December 18, 2014 as Instrument No. AT3770417

PIN 06050-0264 (LT) - Municipal Address: 5945 Steeles Avenue East, Toronto
In addition to the encumbrances identified in items 2 to 10, 13, 15 and 17 in PIN 06050-0199 (LT) and item 19 in PIN 06050-0266 (LT) our review of PIN 06050-0264 reveals the following additional encumbrances:

22. $455,288 Construction Lien in favour of EXP Services Inc. registered on December 18, 2014 as Instrument No. AT3770412

PIN 06050-0272 (LT) - Municipal Address: 5951 Steeles Avenue East, Toronto
In addition to the encumbrances identified in items 3 to 10, 13, 15 and 17 in PIN 06050-0199 (LT) and item 19 in PIN 06050-0266 (LT) our review of PIN 06050-0272 reveals the following additional encumbrances:

23. $455,288 Construction Lien in favour of EXP Services Inc. registered on December 18, 2014 as Instrument No. AT3770420