Court File No. CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

2460467 ONTARIO INC.

Respondent

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 C. C.43, AS AMENDED

MOTION RECORD OF THE RECEIVER AND MANAGER, ALIXPARTNERS RESTRUCTURING, INC.

October 19, 2026

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SERVICE LIST

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INDEX

Tab	Description	Page No.
1	Notice of Motion	1
2	Supplement to the Fourth Report dated October 19, 2026	7
3	Fourth Report (without appendices) dated September 18, 2026	32
4	Draft Order	46

TAB 1

Court File No. CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

and

2460467 ONTARIO INC.

Respondent

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT,* R.S.C. 1985 C.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT,* R.S.O. 1990 C. C.43, AS AMENDED

NOTICE OF MOTION
(Returnable October 26, 2026)

AlixPartners Restructuring, Inc. (formerly, KSV Restructuring Inc.), in its capacity as Court-appointed Receiver and Manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondent, 2460467 Ontario Inc. (the "**Debtor**"), acquired for, or used in relation to a business carried on by the Debtor, pursuant to an order of the Honourable Justice Kershman, dated August 12, 2024 will make a motion before the Honourable Justice Kershman, on Monday, October 26 ,2026 at 2:00 p.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard by judicial videoconference via Zoom at Toronto, Ontario.

SCJ Virtual Courtroom 485 is inviting you to a scheduled Zoom meeting:

Join Zoom Meeting: https://ca01web.zoom.us/j/61746137944

Meeting ID: 617 4613 7944

855 703 8985 Canada Toll-free

Meeting ID: 617 4613 7944

THE MOTION IS FOR*:*

(a) An order, substantially in the form of the draft order attached as Tab 3 of the Receiver's Motion Record, which, among other things,

(i) if necessary, abridges the time for service of this motion or, alternatively, dispenses with service;

(ii) authorizes and directs the Receiver to enter into the Assignment and Amendment Agreement (the "**Agreement**") with 59 Project Management Inc. ("**59 PM**"), and Fusioncorp Developments Inc. ("**Fusioncorp**") substantially in the form attached as Appendix "**A**" to the Supplement; and

(iii) such further relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

Background

(b) The Receiver was appointed on the application of Duca Financial Services Credit Union Ltd. ("**Duca**") pursuant to the Order of the Honourable Justice Kershman dated August 12, 2024 (the "**Appointment Order**");

(c) Prior to the date of the Receiver's appointment, the Debtor was building a 62 unit stacked townhouse development project known municipally as 240 Yeomans Street, Belleville (the "**Project**");

(d) At the date of the Appointment Order, the Debtor had sold 61 units in the Project, construction of the Project had not yet been completed, and each phase was at varying stages of completion;

(e) Pursuant to an Order dated May 14, 2025, the Court, *inter alia*, (i) approved a Completion Agreement and CCDC 5B Construction Management Agreement between the Receiver and Fusioncorp pursuant to which the Receiver engaged Fusioncorp to complete construction of the Project by no later than April 30, 2026;

Fund Diversion Issue

(f) As described in the Fourth Report, during the first week of September 2026, the Receiver learned that certain funds paid by the Receiver to Fusioncorp for the purpose of satisfying amounts owed by Fusioncorp to subcontractors

and trade suppliers on the Project had been diverted by Mr. Ainis (the "**Fund Diversion Issue**");

(g) On September 21, 2026, HCRA informed the Receiver that it was not prepared to consent to Fusioncorp continuing in its role as construction manager of the Project and, for that reason, would not support the Project Completion Agreement. HCRA advised, however, that it would consent to an assignment of the Construction Management Contract by Fusioncorp to 59PM, which is acting as an advisor to the Receiver on the Project;

(h) On September 22, 2026, the Receiver therefore withdrew its motion seeking the Court's approval of the Project Completion Agreement while it negotiated the Agreement with 59 PM.

(i) 59 PM is familiar with the status of the Project and the work required to complete the Project;

(j) The Receiver understands that Duca, Tarion and HCRA support the Agreement;

(k) The Agreement will facilitate completion of the construction of the Project, while minimizing additional costs and delay and is reasonable in the circumstances; and

(l) Such further and other grounds as counsel may advise and this Honourable Court permit.

The FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE Hearing of the Motion:

(i) the Fourth Report dated September 18, 2026 (without appendices);

(ii) the Supplement to the Fourth Report dated October 19, 2026; and

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

October 19, 2026

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Lawyers for the Receiver

TO: **THE SERVICE LIST**

DUCA FINANCIAL CREDIT SERVICES UNION LTD. v. 2460467 ONTARIO LIMITED

IN THE MATTER OF SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O 1990 C. C.43, AS AMENDED

Court File No. CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

NOTICE OF MOTION

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Lawyers for the Receiver

TAB 2

AlixPartners

Supplement to Fourth Report of AlixPartners Restructuring, Inc. as Receiver and Manager of 2460467 Ontario Inc.

October 19, 2026

Contents

Page

1.0 Introduction 1
1.1 Purposes of this Report 1
1.2 Restrictions 2
1.3 Currency 2
2.0 Background 2
2.1 The Assignment and Amendment Agreement 3
3.0 Occupancy Dates 3
4.0 Conclusion 4

Appendix

Tab

Assignment and Amendment Agreement ..... A

AlixPartners

Court File No.: CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD

APPLICANT

- AND -

2460467 ONTARIO INC.

RESPONDENT

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

SUPPLEMENT TO FOURTH REPORT OF
ALIXPARTNERS RESTRUCTURING, INC.
AS RECEIVER AND MANAGER

OCTOBER 19, 2026

1.0 Introduction

1. This report (the "**Supplemental Report**") supplements the Fourth Report to Court of AlixPartners Restructuring, Inc. dated September 18, 2026 (the "**Fourth Report**") and should be read in conjunction with the Fourth Report.

2. Unless otherwise stated, capitalized terms used in this Supplemental Report and not otherwise defined herein have the meanings given to them in the Fourth Report.

1.1 Purposes of this Report

1. The purposes of this Supplemental Report are to:

   a) inform the Court of concerns expressed by HCRA regarding the proposed Project Completion Agreement attached to the Fourth Report;

b) seek, in place of the Project Completion Agreement, approval of an Assignment and Amendment Agreement among the Receiver, Fusioncorp and 59 PM dated October 19, 2026 (the "**Assignment and Amendment Agreement**"), assigning, transferring and conveying all right, title, interest under the Completion Agreement and CCDC (together, the "**Contract**") from Fusioncorp to 59 PM; and

c) recommend that the Court issue an Order authorizing and directing the Receiver to enter into the Assignment and Amendment Agreement and permitting the Receiver to take such steps and to execute and deliver such additional documentation as may be necessary or desirable to give effect to the Assignment and Amendment Agreement.

1.2 Restrictions

1. This Supplemental Report is subject to the restrictions set out in Section 1.2 of the Fourth Report.

1.3 Currency

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

2.0 Background

1. As described in the Fourth Report, after learning of the Fund Diversion Issue, the Receiver sought the approval of Tarion and HCRA of the Receiver's proposal to complete construction of the Project on the terms set out in the Project Completion Agreement with Fusioncorp.

2. On September 21, 2026, HCRA informed the Receiver that it was not prepared to consent to Fusioncorp continuing in its role as construction manager of the Project and, for that reason, would not support the Project Completion Agreement. HCRA advised, however, that it would consent to an assignment of the CCDC to 59 PM, which is acting as an advisor to the Receiver on the Project. On September 22, 2026, the Receiver therefore withdrew its motion seeking the Court's approval of the Project Completion Agreement while it negotiated the Assignment and Amendment Agreement with 59 PM.

3. 59 PM is the "owner representative" in respect of the Project and, as a result of that role, is familiar with the status of the Project and the work required to complete the Project. The Receiver understands that Duca supports the Assignment and Amendment Agreement and Tarion and HCRA have consented to the terms of the Assignment and Amendment Agreement.

2.1 The Assignment and Amendment Agreement

1. The following is a summary of the key proposed terms of the Assignment and Amendment Agreement:

   a) as of the effective time of the assignment, Fusioncorp will assign, and 59 PM will assume, all rights and obligations of Fusioncorp under the Contract except that 59 PM will not have any obligation to repair or incur costs related to any work performed on the Project by Fusioncorp;

   b) the payment process under the Contract will be amended to permit payment directly to subcontractors and trade suppliers, by the Receiver on behalf of the construction manager;

   c) 59 PM will retain the Delegates for the purpose of completing the Project; and

   d) all parties to the Assignment and Amendment Agreement, but specifically, the Receiver and Fusioncorp, expressly reserve their rights and remedies in respect of any liability or claims against each other arising during or relating to the period prior to the effective date of the assignment.

3. A copy of the Assignment and Amendment Agreement is attached as **Appendix "A"**.

3.0 Occupancy Dates

1. The Fund Diversion Issues discussed in the Fourth Report caused substantial delay on the Project, including a loss of confidence by the sub-contractors, most of which have resumed providing services to the Project. However, the delays resulting from the Fund Diversion Issue have once again caused the Receiver to extend the occupancy date for the units. The most recent and updated target occupancy dates are provided in the table below.

Block	Most Recent Occupancy Date	Present Target Occupancy Date
A	November 9, 2026	December 14, 2026
B	November 13, 2026	December 15, 2026
C	November 2, 2026	December 2, 2026
D	November 2, 2026	December 3, 2026

4.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Court grant the relief sought out in Section 1.1.1(c) above.

* * *

All of which is respectfully submitted,

AlixPartners Restructuring, Inc.

ALIXPARTNERS RESTRUCTURING, INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
2460467 ONTARIO INC.
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Appendix “A”

ASSIGNMENT AND AMENDMENT AGREEMENT

Dated as of October 19, 2026

BETWEEN:

FUSIONCORP DEVELOPMENTS INC.

(the "Assignor")

-and-

59 PROJECT MANAGEMENT INC.

(the "Assignee")

-and-

ALIXPARTNERS RESTRUCTURING, INC. (the "Receiver"), in its capacity as the Court-appointed receiver and manager of 2460467 ONTARIO INC. (the "Debtor")

RECITALS

A. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated August 12, 2024 in Court File No. CV-24-00096502-0000 (the "**Receivership Order**"), the Receiver was appointed receiver and manager, without security, of all the assets, undertakings and properties of the Debtor acquired for, or used in relation to, a business carried on by the Debtor.

B. The Receiver and the Assignor are parties to a Completion Agreement and CCDC 5B - 2010 Construction Management Contract for Services and Construction dated April 30, 2025, as amended, supplemented or otherwise modified before the date of this Agreement

(together, the "**Contract**"), in respect of the residential condominium development municipally known as 240 Yeomans Street, Belleville, Ontario (the "**Project**").

C. The Assignee wishes to assume, and the Assignor wishes to assign to the Assignee, the Assignor's right, title, interest, obligations and liabilities under the Contract on the terms of this Agreement, and the parties wish to make the amendments to the Contract set out herein.

D. The Receiver is entering into this Agreement solely to provide the consent expressly set out herein, subject to Court Approval, and the limitations and reservations contained in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

a. "**Assignment Effective Time**" means 12: 00 a.m. (Toronto time) on the date on which the Court Approval Condition has been satisfied and or waived in writing by the party or parties entitled to the benefit thereof.

b. "**Court Approval**" means an order of the Ontario Superior Court of Justice at Ottawa, substantially in the form of the draft order attached hereto as schedule "A", approving this Agreement and the transactions contemplated by it and authorizing the Receiver to consent to the assignment and amendments contemplated herein, which order has not been stayed, varied or set aside in a manner that prevents completion.

c. "**Court Approval Condition**" has the meaning given in Section 6(a).

d. Capitalized terms not defined in this Agreement have the meanings given to them in the Contract. References to the Contract mean the Contract as amended by this Agreement from and after the Assignment Effective Time. Headings are for convenience only. "Including" means including without limitation.

2. ASSIGNMENT AND ASSUMPTION

a. Subject to Section 6 of this Agreement and effective only at the Assignment Effective Time, the Assignor hereby assigns, transfers and conveys to the Assignee all of the Assignor's right, title and interest in and to the Contract, all subcontracts and the benefit of all warranties relating the Project, and delegates to the Assignee all obligations of the Assignor under the Contract to be performed from and after the Assignment Effective Time, in each case subject to the terms of this Agreement.

b. Subject to Section 6 of this Agreement and effective only at the Assignment Effective Time, the Assignee accepts the assignment in Section 2(a) and assumes and

agrees to perform the obligations of the Assignor under the Contract required to be performed from and after the Assignment Effective Time, subject to the terms of this Agreement. For greater certainty, the obligations assumed by the Assignee under section 2 b. do not include any obligation to correct, at the Assignee's own cost, defective, deficient, or non-conforming work performed, supplied or installed prior to the Assignment Effective Time. Any cost incurred by the Assignee in correcting such pre-existing defective, deficient or non-conforming work shall be treated as a Cost of the Work (the "Remediation Work") and reimbursed accordingly, without affecting the liability protection in favour of the Assignee under the Court Approval Order. The Assignee shall not commence any Remediation Work without the prior written approval of the Receiver and if it does so, the Receiver will not have any obligation to fund the cost of such work. The party responsible for the cost of the Remediation Work shall be considered, and if possible, determined, prior to the performance of the Remediation Work.

c. Except to the extent expressly provided in this Agreement or the terms of the Order appended to this agreement, as may be amended by the Court on terms acceptable to the Assignee, nothing in this Agreement constitutes (i) an assumption by the Assignee of any liability of the Assignor arising before the Assignment Effective Time, or (ii) a release, waiver, compromise, extinguishment or determination of any claim, defence, set-off, recoupment, lien right, trust claim, indemnity right or other right of any person relating to facts, events, work, services, supplies, defaults or payment obligations of the Assignor arising before the Assignment Effective Time.

d. The parties shall execute and deliver such further documents and do such further acts as may be reasonably necessary to give effect to the assignment and assumption contemplated by this Agreement, subject always to the Receivership Order, and Section 7.

e. The Assignor shall provide the Receiver and the Assignee with all information and documentation relating to the Project (including the Assignee's banking records) as may be requested to reconcile the amounts owing to any subcontractors or trade suppliers in connection with the Project or to complete the Contract.

3. **RECEIVER CONSENT; LIMITED CAPACITY**

a. Subject to Court Approval and effective only at the Assignment Effective Time, the Receiver, solely in its Court-appointed capacity and not in its personal or corporate capacity, consents to the assignment, assumption and amendments contemplated by this Agreement to the extent such consent is required from the Receiver by the Contract, the Receivership Order or applicable law.

b. No recourse shall be had against the Receiver or its affiliates, partners, directors, officers, employees, agents, counsel or representatives personally or in their corporate capacities in respect of this Agreement or the Contract, except for obligations, if any, expressly undertaken by the Receiver in its Court-appointed capacity under this Agreement and subject to the Receivership Order and Court Approval.

c. The Receiver gives no representation or warranty, express or implied, as to the Contract, the Project, the status or value of work, the enforceability or assignability of the Contract, the existence or quantum of claims, deficiencies, holdbacks or accounts,

or the Assignee's ability to perform the Contract, except for any express representation made by the Receiver in this Agreement.

4. AMENDMENTS TO CONTRACT

From and after the Assignment Effective Time, the Contract is amended only as follows.

a. Party substitution. Each reference in the Contract to "Construction Manager" shall, from and after the Assignment Effective Time, be read as a reference to the Assignee, except where the context relates exclusively to a period before the Assignment Effective Time or where this Agreement expressly provides otherwise.

b. Project particulars. The Project remains known as "Yeo Towns", a residential condominium development located at the real property owned by the Debtor and municipally known as 240 Yeomans Street, Belleville, Ontario.

c. Contract price/fees. The Assignee shall receive a fee of $10,500.00 per month, payable in advance on the first Business Day of each month, continuing until Substantial Performance of the Work and completion of the Assignee's obligations under the Contract. If the anticipated date for Substantial Performance set out in the schedule under section 4 e. is extended for any reason other than the Assignee's default, the monthly fee shall continue to be paid for the extended period on the same terms.

d. Consultants. The Assignee shall retain Blair MacNeill, Chris Scott and Nuno Sousa as consultants (the "**Consultants**") for the purpose of completing the Project and may only terminate the Consultants, or any of them, with the prior consent of the Receiver. The Consultant's costs will be in addition to the fees of the Assignee.

e. Schedule. The Assignee will provide the Receiver within 5 (five) calendar days of Court Approval of this Agreement with a schedule for the completion of the Contract,

including, without limitation, the target date for substantial performance of the Contract, and occupancy of the units.

f. Payment and holdback administration. Pursuant to the Court Approval Order, the Receiver shall be authorized and directed to pay trade contractors directly, net of holdback, based on invoices forwarded to the Receiver by 59 PM. From the Assignment Effective Time, the invoices and payment applications shall be addressed to the Receiver at: ben.luder@alixpartners.com. The Assignee will provide the Receiver with all invoices received from trade contractors promptly and hereby authorizes and directs the Receiver to make payment of the authorized amount, less the amount of the authorized holdback, directly to the trade contractor. All statutory holdback, lien, trust and prompt-payment matters shall continue to be dealt with in accordance with applicable Ontario law and the Contract, as amended. Nothing in this Section determines responsibility for any pre-Assignment Effective Time amount or claim. The Assignee's obligation to forward invoices to the Receiver under this Section 4 f. is administrative only. The Assignee shall have no liability to any Trade Contractor, trade supplier or other third party for the Receiver's failure or delay in making payment, nor for any lien, holdback or trust claim arising from or attributable to the period prior to the Assignment Effective Time, regardless of when such lien, holdback or trust claim is registered, asserted or discovered. The Assignee will on a timely based review all invoices remitted to it from any Trade Contractor and remit same to the Receiver.

g. Notices. Notices to the Assignor in respect of post-Assignment Effective Time matters shall instead be delivered to the Assignee at: phillip.marsland@5nine.ca.

Notices to the Receiver under this Agreement shall be delivered to: robert.kofman@alixpartners.com and ben.luder@alixpartners.com with a copy to the Receiver's legal counsel, Dickinson Wright LLP at: jleslie@dwlaw.com.

h. Section 12 of the Completion Agreement is hereby amended by adding the following: "For greater certainty, the exclusion of Consequential Damages set out in Section 12 of the Completion Agreement applies equally for the benefit of the Assignee, and in no event shall the Assignee be liable to the Receiver, the Debtor, Fusioncorp, any Trade Contractor or any other person for Consequential Damages (as defined in the Completion Agreement) arising out of or in connection with the work performed by FusionCorp under the Contract or this Agreement.

i. Section 13 of The Completion Agreement is hereby amended by adding the following, "For greater certainty, the Assignee retains all rights under GC 7.2 of the Contract (Construction Manager's Right to Suspend the Work or Terminate the Contract), as amended by the Supplementary Conditions, in respect of any failure by the Receiver to pay amounts properly due to the Assignee under the Contract, as amended by this Agreement, including the right to suspend the Work on not less than five (5) Working Days written notice if payment is not received within the prescribed timeframe for payment. Further, should there be any delays in paying trades by the Receiver that adversely impedes the Construction Manager's ability to proceed with the Work or obtain Substantial Performance, the General Contractor may, after complying with the notice requirements of the Contract, provide a written notice that it is suspending the Work or terminating the Contract.

j. Section 14 of the Completion Agreement is hereby amended by adding the following:

For greater certainty, any insurance policy the Receiver requires the Assignee to obtain pursuant to Section 14 of the Completion Agreement shall be treated as a Cost of the Work and reimbursed to the Assignee promptly upon presentation of the applicable invoice or premium notice, and the Assignee shall not be required to advance such premiums from its own funds pending reimbursement.

k. Priority. If there is a conflict between this Agreement and the Contract, this Agreement prevails to the extent of the conflict. Except as expressly amended by this Agreement, the Contract remains unamended and in full force and effect, subject to Court Approval and the reservations in this Agreement.

5. PRE- AND POST-ASSIGNMENT MATTERS

a. Without determining liability as among any persons, obligations to perform work or services arising from and after the Assignment Effective Time are assumed by the Assignee only to the extent stated in Section 2(b). The treatment of accrued accounts, unpaid invoices, deficiencies, back charges, change requests, claims, holdbacks, lien claims, trust claims, warranty claims and other matters attributable in whole or in part to the period before the Assignment Effective Time is expressly reserved.

6. CONDITION PRECEDENT: COURT APPROVAL

a. This Agreement and every assignment, assumption, consent and amendment contemplated by it are expressly conditional upon Court Approval being granted (the

"Court Approval Condition"). No assignment, assumption, consent or amendment shall become effective unless and until the Court Approval Condition is satisfied.

b. If Court Approval is not obtained, then this Agreement shall terminate and be of no further force or effect, except for Sections 7, 8(c), 8(g), and any other provision which by its nature is intended to survive. Such termination is without prejudice to any rights, claims, positions, arguments or remedies of any person.

c. The Receiver may seek Court Approval on notice to such persons as the Receiver considers appropriate or as the Court directs. Each of the Assignor and Assignee shall reasonably cooperate in connection with the motion for Court Approval, including by providing evidence reasonably requested by the Receiver, subject to privilege and other applicable protections.

7. RESERVATION OF RIGHTS; WITHOUT PREJUDICE

a. All rights, claims, causes of action, defences, set-offs, recoupment rights, contractual rights, statutory rights, equitable rights and remedies of the Assignor, the Assignee, the Receiver, the Debtor and any other affected person, as against each other, are expressly reserved.

b. The negotiation, execution, delivery, Court-approval process and implementation of this Agreement are and shall be without prejudice to the rights, claims, positions, arguments and remedies reserved under Section 7(a). None of them shall constitute or be relied upon as an admission of liability, fact, entitlement, priority, quantum, default, waiver, estoppel or interpretation of the Contract, except to establish the specific terms of this Agreement. For greater certainty, neither the assignment nor any amendment under this Agreement shall, by itself, release, compromise, waive,

extinguish or adjudicate any claim relating to the Contract or the Project, including any claim concerning payment, delay, deficiency, change, lien, holdback, trust, warranty, indemnity or damages, whether known or unknown and whether arising before, on or after the Assignment Effective Time, except to the extent expressly stated in this Agreement.

c. Nothing in this Agreement limits the Receiver's right or obligation to seek directions from the Court or to take any position permitted by applicable law.

8. GENERAL

a. Representations. Each of the Assignor, Assignee, and Receiver represents to the others that it has the power and authority to enter into this Agreement and, subject to Court Approval where applicable, to perform its obligations hereunder.

b. No novation except as expressly ordered or agreed. The parties intend an assignment and assumption on the terms stated herein. No novation, release or substitution of liability shall be inferred from this Agreement except to the extent expressly stated herein or expressly provided in the Court Approval.

c. Governing law. This Agreement is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties attorn to the jurisdiction of the Ontario Superior Court of Justice in relation to this Agreement, and all disputes which may arise.

d. Entire agreement regarding transaction. Subject to Court Approval, this Agreement, the Contract as incorporated by reference and the schedules hereto constitute the entire agreement of the parties concerning the assignment and amendments contemplated herein, without limiting the reservation of rights in Section 7.

e. Amendments and waivers. No amendment or waiver of this Agreement is effective unless in writing and signed by the parties whose rights are affected and, if required by the Receivership Order or Court Approval, approved by the Court.

f. Severability. If any provision is held invalid or unenforceable, it shall be severed to the minimum extent necessary and the balance shall remain in effect, provided that the fundamental economic and legal allocation reflected in this Agreement is not materially altered.

g. Counterparts and electronic signatures. This Agreement may be executed in counterparts and delivered electronically, each of which is deemed an original and all of which together constitute one instrument.

h. No amendment of Court orders. Nothing in this Agreement amends, varies or limits the Receivership Order or any other order of the Court. In the event of conflict, the applicable Court order governs.

SIGNATURES

FUSIONCORP DEVELOPMENTS INC.

By: _____

Name: Nick Ainis

Title: President

I have authority to bind the corporation.

59 PROJECT MANAGEMENT INC.

By: _____

Name: Phillip Marsland

Title: President

I have authority to bind the corporation.

ALIXPARTNERS RESTRUCTURING, INC., in its capacity as Court-appointed receiver and manager of 2460467 ONTARIO INC. and not in its personal or corporate capacity

By: _____

Name: Robert Kofman

Title: Senior Advisor and ASO

I have authority to bind the corporation.

4922-6116-8089 v1 [110816-1]

APPENDIX "A"

Court File No. CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	MONDAY, THE
JUSTICE KERSHMAN	)	26TH DAY OF OCTOBER 2026

B E T W E E N:

(Court Seal)

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

and

2460467 ONTARIO INC.

Respondent

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT,* R.S.C. 1985 C.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT,* R.S.O. 1990 C. C.43, AS AMENDED

ORDER

THIS MOTION, made by AlixPartners Restructuring, Inc. (formerly KSV Restructuring Inc.), in its capacity as the court-appointed receiver and manager (in such capacity, the "**Receiver**") of all the property, assets and undertakings of the Respondent, appointed pursuant to an Order of the Court dated August 12, 2024 (the "**Receivership Order**") was heard this day by judicial videoconference.

ON READING the Fourth Report of the Receiver dated September 18, 2026 (the "**Fourth Report**"), the Supplement to the Fourth Report dated October 19, 2026 (the "**Supplement**"), and on hearing the submissions of counsel for the Receiver, and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service 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 Supplement, and the activities and proposed activities of the Receiver described therein are hereby approved, provided that only the Receiver, in its personal capacity, and only with respect to its own personal liability, shall be entitled to rely upon this approval.

3. **THIS COURT ORDERS** that the Assignment and Assumption Agreement dated October 19, 2026 (the "**Agreement**") among the Receiver, Fusioncorp Developments Inc., and 59 Project Management Inc. ("**59 PM**") substantially in the form attached as Appendix "**A**" to the Supplement, is hereby approved. The Receiver is hereby authorized and empowered to enter into and perform the Agreement with such non-material amendments as may be agreed to by the parties.

4. **THIS COURT ORDERS** that 59 PM and its affiliates, partners, directors, employees, advisors, agents and controlling persons, shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of any matter related to the Project (as defined in the Fourth Report) arising before the Assignment Effective Date (as defined in the Agreement).

5. **THIS COURT ORDERS** that the Agreement is without prejudice to all rights and remedies of the parties thereto as against each other, relating to the period prior to the Effective time of Assignment (as defined in the Agreement) and all such rights and remedies are expressly reserved.

Date of issuance
(to be completed by registrar)

_____
(Signature of judge, officer or registrar)

DUCA FINANCIAL CREDIT SERVICES UNION LTD. v. 2460467 ONTARIO LIMITED

IN THE MATTER OF SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O 1990 C. C.43, AS AMENDED

Court File No. CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

ORDER

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Barristers & Solicitors
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Lawyers for the Receiver

TAB 3

Fourth Report of AlixPartners Restructuring, Inc. as Receiver and Manager of 2460467 Ontario Inc.

September 18, 2026

Contents

		Page
1.0	Introduction	1
1.1	Purposes of this Report	2
1.2	Restrictions	3
1.3	Currency	4
2.0	Background	4
2.1	Secured Creditors	4
3.0	Purchaser Matters	5
4.0	Sale Process	5
4.1	Sale Process	6
4.2	Sale Conditions and Review of Offers	7
4.3	Permitted Transactions and Prospective Vesting	8
5.0	Sealing	8
6.0	Diversion of Funds	9
7.0	Receiver's Activities	11
8.0	Conclusion	12

Appendix

	Tab
Receivership Order	A
Listing Agreement	B
Template Individual Agreement of Purchase and Sale	C
Approval and Vesting Order	D
Letter to Trades	E
Project Completion Agreement	F

Confidential Appendix

	Tab
Pricing Schedule	1

AlixPartners

Court File No.: CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD

APPLICANT

- AND -

2460467 ONTARIO INC.

RESPONDENT

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

FOURTH REPORT OF
ALIXPARTNERS RESTRUCTURING, INC.
AS RECEIVER AND MANAGER

SEPTEMBER 18, 2026

1.0 Introduction

1. Pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice (the "**Court**") made on August 12, 2024 (the "**Filing Date**"), AlixPartners Restructuring, Inc. ("**AlixPartners**"), formerly KSV Restructuring Inc. ("**KSV**"),[1] was appointed receiver and manager (in such capacity, the "**Receiver**") without security, of all the assets, undertakings and properties of 2460467 Ontario Inc. (the "**Debtor**") acquired for, or used in relation to, a business carried on by the Debtor. A copy of the Receivership Order is attached as **Appendix "A"**.

2. The principal asset of the Debtor is real property having a municipal address of 240 Yeomans Street, Belleville (the "**Real Property**"). The Debtor intended to build a 62 unit stacked townhouse development on the Real Property (the "**Project**"). As of the Filing Date, the Project was partially completed.

[1] Effective June 1, 2026, KSV's parent company was acquired by an affiliate of AlixPartners, following which KSV changed its name to AlixPartners and KSV was substituted for AlixPartners in all of its ongoing Court appointments pursuant to a Court Order dated June 3, 2026.

3. The application to appoint AlixPartners as Receiver was made by Duca Financial Services Credit Union Ltd. ("**Duca**"), a secured creditor of the Debtor.

4. At the outset of these proceedings, one of the principal purposes of the receivership was to provide the stability and supervision required to preserve the value of the Project, while the Receiver consulted with Duca and other stakeholders to consider whether the Project should be completed or sold on an "as is" basis. In early 2025, Duca advised the Receiver that it was prepared to provide funding to the Receiver to complete construction of the Project.

5. On May 14, 2025, the Court issued an order which, among other things:

   a) approved a Completion Agreement (the "**Completion Agreement**") and a CCDC 5B Construction Management Contract (the "**CCDC**"), each between the Receiver and Fusioncorp Developments Inc. ("**Fusioncorp**"), pursuant to which Fusioncorp would act as construction manager to complete the Project;

   b) increased the Receiver's Borrowing Charge (as defined in the Receivership Order) from $1 million to $14 million; and

   c) approved the Receiver's Second Report to Court dated April 30, 2025, the Receiver's Supplement to the Second Report dated May 2, 2025, and the Receiver's activities described in each.

6. Following a motion heard on July 8, 2026, the Court issued an Order which, among other things:

   a) increased the Receiver's Borrowing Charge to $16.15 million;

   b) approved the Receiver's Third Report to Court dated June 30, 2026 (the "**Third Report**") and the Receiver's activities described therein; and

   c) approved the fees and disbursements of the Receiver and the Receiver's legal counsel, Dickinson Wright LLP ("**Dickinson**") from the commencement of this mandate to May 31, 2026.

7. This report (the "**Report**") is filed by AlixPartners in its capacity as Receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to:

   a) provide background information about this proceeding and the status of the Project;

b) summarize the proposed sale process (the "**Sale Process**") for the Available Units (as defined below), including the retention of Forest Hill Real Estate Inc. ("**Forest Hill**") as the sales agent (the "**Sales Agent**") pursuant to a listing agreement dated September 15, 2026, a copy of which is provided in **Appendix "B"** (the "**Listing Agreement**");

c) summarize the Receiver's activities since the date of its Third Report; and

d) request that the Court issue the sale approval order, which, among other things:

i. approves the Listing Agreement and the Sale Process;

ii. authorizes and directs the Receiver to complete any transaction that is not an *En Bloc* Transaction (as defined below), without the approval of the Court, provided that the total consideration for each Available Unit under an agreement of purchase and sale is not less than the Target Prices of the Available Units, unless Duca consents otherwise;

iii. approves the form of approval and vesting order (the "**AVO**") to be obtained by the Receiver with respect to a Permitted Transaction (as defined below), without the need for a further Court attendance by counsel for any party, including the Receiver;

iv. authorizes the Receiver and its legal counsel to present the completed AVO to the Registrar of the Ontario Superior Court of Justice together with a certificate of the Receiver attaching a copy of the agreement of purchase and sale confirming the name of the purchaser(s) and the description of the purchased property; and

v. seals the Confidential Appendix to this Report, which includes the Target Prices for each of the Available Units; and

e) advise the Court of the apparent misuse and diversion of funds advanced by the Receiver to Fusioncorp to pay Project suppliers, which Fusioncorp has apparently not used for their intended purpose, and to seek the Court's approval of the Project Completion Agreement, as defined herein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon the Debtor's financial information and Project information, consulting reports concerning the Project, information provided by the Project trades, including statements of account, and discussions with Duca, Fusioncorp, Forest Hill and Project consultants (collectively, the "**Information**").

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Other than the Court, any party wishing to place reliance on the Information is required to perform its own diligence.

1.3 Currency

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

2.0 Background

1. The Debtor marketed the Project as "Yeo Towns". The Debtor pre-sold 61 of 62 townhomes to purchasers of the units (the "**Purchasers**").

2. The Project is comprised of four blocks of townhouses – each block was at a different stage of completion as of the Filing Date. Prior to these receivership proceedings, construction of the Project had been halted for several months. In late 2025, the Receiver retained a construction manager, 59 Project Management Inc. ("**59 PM**"), to winterize the Project.

3. As of the Filing Date, the Debtor's bank account had a nil cash balance. Accordingly, funding for these proceedings was required. Funding for these proceedings, including all construction costs, has been provided by Duca pursuant to Receiver's Borrowing Charge.

4. Additional background information regarding the Project and the reasons for the appointment of the Receiver are provided in Duca's application materials and the Receiver's prior reports to Court ("**Prior Reports**"). Copies of the Court materials filed to-date in these proceedings, including the Prior Reports, are available on the Receiver's case website: https://cdncases.alixpartners.com/experience/case/yeotowns (the "**Case Website**").

2.1 Secured Creditors

1. The following is a summary of the Debtor's secured creditors and their outstanding balances as of the date of the Receivership Order:

   a) Duca has a first-ranking mortgage on the Real Property. The Debtor also granted Duca a general security agreement dated December 6, 2022;

   b) Based on Duca's receivership application materials, as of June 12, 2024, the Debtor owed Duca approximately $7.5 million, with interest and costs continuing to accrue. Duca was also owed approximately $200,000 under a letter of credit facility as of the Filing Date;

c) As of the date of this Report, Duca's funding under the Receiver's Borrowing Charge totals $13.5 million of the $16.15 million authorized under that charge;

d) Aviva Insurance Company of Canada provides insurance coverage for Purchaser deposits, and by its agent, Westmount Guarantee Services Inc. ("**Westmount**"), registered a charge against the Real property in the amount of $7 million. The Receiver understands that Purchasers paid deposits of $3.8 million, of which approximately $2.1 million was released from escrow prior to the commencement of these proceedings, and the balance remains in trust with Owens Wright LLP ("**Owens Wright**"), the Project law firm retained by the Debtor. Owens Wright is also providing legal services to the Receiver concerning construction and Project matters; and

e) Prior to these proceedings, nine suppliers registered ten construction liens totalling over $1.2 million against the Real Property. As part of the Completion Agreement, Fusioncorp agreed to release its lien of approximately $878,720 against the Real Property. As of the date of this Report, the Receiver is in the process of reviewing the liens registered on title to the Real Property.

3.0 Purchaser Matters

1. Throughout these receivership proceedings, the Receiver has kept Purchasers apprised of the status of construction of the Project through several notices which it sent to Purchasers at various times since its appointment and which have also been posted on the Case Website.

2. The outside occupancy date in each of the Pre-Construction APSs was May 1, 2026 (the "**Outside Occupancy Date**"). Occupancy was not provided to the Purchasers prior to the Outside Occupancy Date and, pursuant to the terms of the Pre-Construction APSs, Purchasers had the right to terminate their Pre-Construction APS between May 2 and June 1, 2026.

3. As a result of the construction delays and other matters, thirty-seven (37) purchasers have terminated or rescinded their agreements of purchase and sale (the "**Pre-Construction APSs**") with the Debtor, resulting in thirty-seven (37) available units (the "**Available Units**"), and twenty-four (24) Purchasers have not.

4.0 Sale Process

1. As of the date of this Report, construction of the Project is approaching its final stages, and the Available Units will shortly be ready to be listed for sale. Accordingly, the Receiver is seeking the Court's authorization to engage the Sales Agent to market and sell the Available Units pursuant to the attached listing agreement (the "**Listing Agreement**").

2. Forest Hill is familiar with the Project as it has been working with the Receiver and Duca for the last several months.

3. The Listing Agreement was negotiated by the Receiver, in consultation with Duca. The Sales Agent's services include:

   a) developing a marketing and sales strategy for the Available Units;

   b) preparing marketing materials, including photographs, videos and virtual tours of the Available Units; and

   c) assisting the Receiver to set the Target Price (as defined below) for each Available Unit.

4. The Sales Agent's proposed compensation is as follows:

   a) **Commission** – a fee of 4.5% of the sale price of each Available Unit sold, net of HST (the "**Commission**"), payable for each Available Unit sold during the Term. Where the Sales Agent represents the prospective purchaser in the transaction, the total commission payable shall be 4%. If a co-operating brokerage is involved in the transaction, the total commission payable is 4.5% of the sale price, of which 2.5% is payable to the co-operating brokerage and 2% is payable to the Sales Agent.

   b) **Fees and Expenses** – The Sales Agent is entitled to be reimbursed for marketing costs capped at $22,000, to the extent such costs are approved in advance by the Receiver.

5. The Receiver recommends the retention of the Sales Agent given, among other things, it has significant experience marketing residential properties, its proposed fee structure is consistent with market and Duca, as senior secured creditor, consents to its retention pursuant to the terms of the Listing Agreement. The Sales Agent intends to work with Remax Quinte Ltd., which is based in Belleville and is highly familiar with the local market.

4.1 Sale Process

1. The Sales Agent, in consultation with the Receiver and the consent of Duca, has provided listing prices for each of the Available Units. Subject to Court approval, it is intended that:

   a) the Receiver will have discretion to accept offers for the Available Units provided that they are within the percentage of the Target Prices provided in **Confidential Appendix "1"** (the "**Pricing Schedule**");

   b) the Receiver, with the consent of Duca, can provide additional discounts up to the amount reflected in Confidential Appendix "1" with the consent of Duca (the "**Floor Amount Price**"); and

   c) the Receiver can only accept offers less than the Floor Amount Price with Court approval.

2. The prices set out in the Pricing Schedule were developed based on Forest Hill's market research, including comparable sales in Belleville and the surrounding area.

3. If the Sale Process is approved by the Court, the Sales Agent intends to immediately commence marketing the Available Units, including listing the Available Units on MLS and providing notice of the opportunity to prospective individual purchasers, industry contacts and the brokerage community. Thereafter, the Sales Agent will, among other things, conduct open houses, maintain at least one model suite and report regularly to the Receiver concerning Sale Process progress.

4. The Receiver will also consider opportunities to complete *en bloc* sales of the Available Units; however, it is contemplated that any sale of four or more units in one transaction (an "***En Bloc* Transaction**") would require Court approval.

4.2 Sale Conditions and Review of Offers

1. It is contemplated that any sale of an Available Unit is subject to the following conditions (the "**Sale Conditions**"):

   a) the net sale price is not less than the applicable Target Price, unless Foremost otherwise consents;

   b) sales less than the Floor Price and *En Bloc* Transactions will require Court approval;

   c) the terms are satisfactory to the Receiver and are in the form of the Template Individual Agreement of Purchase and Sale (the "**APS**") (attached as **Appendix "C"**), subject to such minor deviations from the Template Individual APS as the Receiver considers appropriate[2]. The Template APS is consistent with APSs used in the sale of residential condominium property, except for language to address that the sale of any Available Unit is being completed by a Receiver in an insolvency process.

2. The Receiver will revise the template APS from time to time as required, in order to include the applicable form of the Tarion Warranty Information Sheet and Tarion Addenda, as amended from time to time, and will provide purchasers with the applicable version of the Ontario Home Construction Regulatory Authority Condominium Information Sheet, as amended from time to time. In addition, after registration of the Project's condominium corporation, the Receiver will revise the template APS to reflect such

[2] The Template Individual APS was developed in consultation with the Sales Agent and is designed for the receivership context and incorporates the following elements, among others, (i) comprehensive "as-is, where is" protections and risk allocation appropriate to a court-supervised receivership; (ii) limitation of the Receiver's representations and warranties; and (iii) clear closing conditions, including a condition precedent requiring approval and vesting by Court order.

registration and include only those provisions which are applicable post registration.

3. The Receiver has discretion to accept, negotiate or reject offers received in respect of the Available Units, provided the Sale Conditions are satisfied. In evaluating offers, the Receiver will consider, among other things, the purchase price, the proposed closing date and the ability of the proposed purchaser to complete the transaction.

4.3 Permitted Transactions and Prospective Vesting

1. To minimize the number of Court attendances required to complete the anticipated Available Unit transactions, the Receiver is seeking an amendment to subsection 3(k) of the Receivership Order authorizing the Receiver to complete any Permitted Transaction, being a transaction in respect of one or more Available Units that is not an *En Bloc* Transaction and in which the total accepted sale price for each such Available Unit is not less than the applicable Target Price, subject to the discretion set out in Section 4.1.1 (a "**Permitted Transaction**").

2. In order to save costs seeking Court approval of each Available Unit, it is recommended that the Receiver be granted the authority to complete an AVO in respect of a Permitted Transaction consistent with the form provided in **Appendix "D"**, and to present it to the Court Registrar, together with a certificate of the Receiver attaching the applicable APS, confirming the name of the purchaser and the description of the purchased unit.

3. In the Receiver's view, it is not practical nor an efficient use of the Court's time, the Receiver resources and creditor money to bring separate motions for each of the Available Unit sales. Prospective approval of sales has been granted by this Court in other real estate insolvency proceedings, and will allow the Sale Process to proceed in a timely and cost-effective manner, thereby increasing recoveries for creditors. The Receiver intends to seek Court approval of any *En Bloc* transaction or other transaction that does not otherwise satisfy the criteria set out in this Report.

5.0 Sealing

1. The Receiver is seeking an order sealing Confidential Appendix "1" to this First Report, being the Pricing Schedule, which sets out the Target Price, the Floor Price Amount and related information for each Available Unit (collectively, the "**Confidential Information**").

2. If disclosed, the Confidential Information would allow prospective purchasers to determine the price the Receiver is prepared to accept for any Available Unit, which would undermine the integrity of the Sale Process and prejudice the Receiver's ability to maximize recoveries.

3. The Receiver is not aware of any party that would be prejudiced by the sealing of the Confidential Information, nor of any public interest that would be served by its disclosure at this time. In the Receiver's view, the salutary

effects of sealing the Confidential Information outweigh the deleterious effects of doing so, including the general principle of open access to court records.

4. The Receiver proposes that the sealing order remain until (i) all Available Units have been sold, or (ii) further order of the Court.

6.0 Diversion of Funds

1. The Project has been plagued by ongoing construction delays and other issues for several months. These delays contributed to the APS recissions summarized in Section 3 above.

2. Fusioncorp, representatives of Duca, project consultants, and representatives of the Receiver convene meetings every Wednesday to discuss the status of the Project. The most recent status weekly meeting was held on September 2, 2026. Earlier that week, the Receiver had learned that certain trades and Fusioncorp consultants had raised concerns about non-payment or slow payment of their accounts notwithstanding that the Receiver has, since being appointed, funded Fusioncorp in full for all approved invoices on a timely basis. The Receiver learned during the September 2nd call, and on a call between the Receiver and Nick Ainis, Fusioncorp's principal, that Fusioncorp had been using the funds for purposes other than paying trades who worked on the Project (the "**Fund Diversion Issue**").

3. Since learning of the Fund Diversion Issue, the Receiver has been conducting meetings and dealing with the trades in order to investigate the magnitude of the diverted funds. On September 3, 2026, the Receiver sent a letter to the trades asking for copies of their statements of account reflecting all amounts invoiced and paid to them to-date, so that the Receiver could prepare an analysis of the balance owing to each trade. A copy of this letter is provided in **Appendix "E"**.

4. On September 4, 2026, the Receiver and Dickinson had a video conference call with Fusioncorp's counsel, Fridmar Professional Corporation ("**Fridmar**") to advise it of the basis on which the Receiver is prepared to work with Fusioncorp to complete the Project. Those discussions were memorialized in an Agreement between the Receiver and Fusioncorp dated September 15, 2026 (the "**Project Completion Agreement**"), a copy of which is attached as **Appendix "F".** A summary of the Project Completion Agreement is as follows:

    a) Mr. Ainis will appoint certain delegates, which are to be acceptable to the Receiver, who have been involved in the day-to-day management of the Project (the "**Delegates**") to manage the completion of Fusioncorp's obligations under the Completion Agreement and CCDC;

    b) Mr. Ainis will direct the Delegates to provide the Receiver, promptly after receipt, all invoices received from suppliers to the Project;

c) Mr. Ainis will sign and deliver an authorization and direction directing the Receiver to remit payment of all amounts owing to suppliers to Fridmar, in trust;

d) Mr. Ainis will sign and deliver an authorization and direction directing Fridmar to pay the funds remitted by the Receiver directly to suppliers on behalf of Fusioncorp;

e) Mr. Ainis will sign an outstanding trade contract on behalf of Fusioncorp;

f) Mr. Ainis will provide all information and documentation requested by the Receiver to corroborate and reconcile the amounts owing to any suppliers in connection with the Project and will cooperate with the Receiver and sign such other documents as may be requested by the Receiver; and

g) Other than the above points, Mr. Ainis will have no further role in the Project and will not communicate further with any supplier to the Project as it relates to the Project.

5. The Receiver seeks approval of the Court in order to complete the construction of the Project on the terms outlined in the Project Completion Agreement.

6. On September 10, 2026, the Receiver met with Torys LLP ("**Torys**"), legal counsel to Tarion Warranty Corporation ("**Tarion**"), to notify them of the circumstances surrounding the Fund Diversion Issue and to provide an overview of the proposed solution. On September 11, 2026, the Receiver met with representatives of Tarion and Torys to further discuss the situation. The Receiver understands that Tarion consents to, or intends to consent to, the Receiver's recommended solution.

7. The Receiver's initial investigation suggests that the amounts at issue in the Fund Diversion Issue are not insignificant and that there are also concerns about misrepresentations made on Statutory Declarations, which the Receiver and its cost consultant rely upon when approving payments. The Receiver has also identified instances where documents provided in support of payment requests by the Project trades were manipulated. The Receiver has also been advised by certain trades that they were directed by Fusioncorp not to disclose to the Receiver or its consultants that amounts owing to them are in arrears. The Receiver is continuing to review this matter; however, if the Receiver's ultimate findings are consistent with its initial findings, the Receiver intends to bring this matter to the attention of the appropriate enforcement authorities.

8. Purchasers have been significantly delayed closing the sales of their homes. Trades have suffered losses for their pre-filing amounts. Duca will incur a shortfall in these proceedings, which will increase due to the Fund Diversion Issue. The Receiver expects to bring a motion to seek a further increase in the Receiver's Borrowing Charge to address the funds apparently diverted by Fusioncorp.

7.0 Receiver's Activities

1. The Receiver's activities since the date of the Third Report have included, among other things, the following:

   a) Dealing with the Fund Diversion Issue, including dealing with Dickinson, Fridmar, Tarion and the Project trades, and reviewing information provided by the Project trades, such as statements of accounts and payment history, and preparing a reconciliation of the same (which is ongoing);

   b) settling the Listing Agreement;

   c) corresponding with Forest Hill and Duca regarding the Sale Process;

   d) preparing, with the assistance of the Sales Agent, the Pricing Schedule;

   e) working with Owens Wright and 59 PM, a consultant to the Receiver to advance the draft condominium plan required to register the condominium;

   f) corresponding daily with Fusioncorp, 59 PM and Duca regarding all matters related to the construction of the Project, including attending weekly status meetings;

   g) engaging with the Project's consultants and reviewing their reports issued in respect of the Project;

   h) corresponding with the Project cost consultant regarding the monthly construction draws and the cost to complete the Project;

   i) responding to inquiries from Purchasers regarding their Pre-Construction APSs, their deposits and the status of the Project and sending notices to the Purchasers regarding the same;

   j) filing monthly HST returns with Canada Revenue Agency on behalf of the Debtor;

   k) preparing Interim Reports of the Receiver pursuant to Section 246(2) of the *Bankruptcy and Insolvency Act*;

   l) consulting with its counsel in connection with the performance of the Receiver's mandate; and

   m) preparing this Report and reviewing and commenting on all related motion materials.

8.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant an Order approving the relief requested in this Report so that the Receiver can (i) commence the Sale Process at its earliest possible opportunity and (ii) facilitate completion of the Project.

* * *

All of which is respectfully submitted,

AlixPartners Restructuring, Inc.

ALIXPARTNERS RESTRUCTURING, INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
2460467 ONTARIO INC.
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

TAB 4

Court File No. CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	MONDAY, THE
JUSTICE KERSHMAN	)	26TH DAY OF OCTOBER 2026

B E T W E E N:

(Court Seal)

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

and

2460467 ONTARIO INC.

Respondent

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT,* R.S.C. 1985 C.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT,* R.S.O. 1990 C. C.43, AS AMENDED

ORDER

THIS MOTION, made by AlixPartners Restructuring, Inc. (formerly KSV Restructuring Inc.), in its capacity as the court-appointed receiver and manager (in such capacity, the "**Receiver**") of all the property, assets and undertakings of the Respondent, appointed pursuant to an Order of the Court dated August 12, 2024 (the "**Receivership Order**") was heard this day by judicial videoconference.

ON READING the Fourth Report of the Receiver dated September 18, 2026 (the "**Fourth Report**"), the Supplement to the Fourth Report dated October 19, 2026 (the "**Supplement**"), and on hearing the submissions of counsel for the Receiver, and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service 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 Supplement, and the activities and proposed activities of the Receiver described therein are hereby approved, provided that only the Receiver, in its personal capacity, and only with respect to its own personal liability, shall be entitled to rely upon this approval.

3. **THIS COURT ORDERS** that the Assignment and Assumption Agreement dated October 19, 2026 (the "**Agreement**") among the Receiver, Fusioncorp Developments Inc., and 59 Project Management Inc. ("**59 PM**") substantially in the form attached as Appendix "**A**" to the Supplement, is hereby approved. The Receiver is hereby authorized and empowered to enter into and perform the Agreement with such non-material amendments as may be agreed to by the parties.

4. **THIS COURT ORDERS** that 59 PM and its affiliates, partners, directors, employees, advisors, agents and controlling persons, shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of any matter related to the Project (as defined in the Fourth Report) arising before the Assignment Effective Date (as defined in the Agreement).

5. **THIS COURT ORDERS** that the Agreement is without prejudice to all rights and remedies of the parties thereto as against each other, relating to the period prior to the Effective time of Assignment (as defined in the Agreement) and all such rights and remedies are expressly reserved.

Date of issuance
(to be completed by registrar)

_____
(Signature of judge, officer or registrar)

DUCA FINANCIAL CREDIT SERVICES UNION LTD. v. 2460467 ONTARIO LIMITED

IN THE MATTER OF SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O 1990 C. C.43, AS AMENDED

Court File No. CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

ORDER

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DUCA FINANCIAL CREDIT SERVICES UNION LTD. v. 2460467 ONTARIO LIMITED.

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 C. C.43, AS AMENDED

Court File No. CV-24-00096502-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

MOTION RECORD OF THE RECEIVER AND MANAGER, ALIXPARTNERS RESTRUCTURING, INC.

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