

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

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

B E T W E E N :

NHE CAPITAL CORP.

Applicant

- and -

111 SHERWOOD INVESTMENTS INC.

Respondent

**MOTION RECORD
(Returnable January 30, 2025)
Volume 1 of 2**

January 21, 2025

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Lawyers for KSV Restructuring Inc.,
solely in its capacity as Court-
appointed Receiver and not in its
personal capacity

TO: THE ATTACHED SERVICE LIST

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

**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**

NHE CAPITAL CORP.

Applicant

- and -

111 SHERWOOD INVESTMENTS INC.

Respondent

SERVICE LIST

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TAB 1

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

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

B E T W E E N :

NHE CAPITAL CORP.

Applicant

- and -

111 SHERWOOD INVESTMENTS INC.

Respondent

**NOTICE OF MOTION
(Returnable January 30, 2025)**

KSV Restructuring Inc. ("**KSV**") in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of 111 Sherwood Investments Inc. (the "**Company**"), including, without limitation, the real property owned by the Company municipally known as 111 Sherwood Drive, Brantford, Ontario and all proceeds thereof (the "**Real Property**"), will make a motion before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on January 30, 2025, at 10:00 a.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- In writing under subrule 37.12.1(1).
- In writing as an opposed motion under subrule 37.12.1(4).
- In person.
- By telephone conference.
- By video conference.

At a Zoom link to be provided by the Court in advance of the motion.

THE MOTION IS FOR:

1. An order (the "**Approval and Vesting Order**") substantially in the form attached hereto at Tab 3 of this motion record, among other things:

- (a) approving an agreement of purchase and sale dated November 6, 2024 (the "**APS**") between the Receiver and 10 John Holdings Inc. (the "**Purchaser**") and the transaction related thereto (the "**Transaction**"); and
- (b) transferring and vesting all of the Company's right, title and interest in and to the Purchased Assets (as defined in the APS) in Sherwood 111 Investments Inc., as assignee of the Purchaser (the "**Assignee**"), free and clear of all liens, charges, security interests and encumbrances other than the Permitted Encumbrances (as defined in the APS), following the Receiver's delivery of a certificate confirming closing of the Transaction substantially in the form attached as Schedule "A" to the proposed Approval and Vesting Order.

2. An order (the "**Ancillary Order**") substantially in the form attached hereto at Tab 5 of this motion record, among other things:

- (a) approving certain distributions to NHE Capital Corp. ("**NHE**") up to the amount owing to NHE by the Company and secured by NHE's mortgage;
- (b) sealing the Confidential Appendices (as defined below) until further order of the Court or the closing of the Transaction;
- (c) approving the Second Report of the Receiver dated January 21, 2025 (the "**Second Report**"), and the Receiver's activities described therein;
- (d) approving the fees and disbursements of the Receiver and its counsel, Bennett Jones LLP ("**Bennett Jones**"), as set out in the Second Report and the fee affidavits sworn by Noah Goldstein and Sean Zweig (together, the "**Fee Affidavits**");

- (e) approving an accrual of \$150,000 (including HST) to cover the fees and disbursements of the Receiver, Bennett Jones and other ancillary costs incurred or to be incurred until the filing of the Discharge Certificate (as defined below) (the "**Fee Accrual**");
 - (f) discharging the Receiver upon filing a certificate in the form attached to the proposed Ancillary Order with the Court confirming that all receivership matters have been completed (the "**Discharge Certificate**"); and
 - (g) releasing the Receiver, upon its discharge, from any and all liability that KSV 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 its gross negligence or wilful misconduct.
3. Such further and other relief as this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

4. The Company is the registered owner of the Real Property.
5. The Real Property is the Company's principal asset and comprises approximately 10.31 acres. The industrial buildings situated on the Real Property have approximately 197,914 square feet of leasable space that can be used for retail, office, flex or industrial purposes. Prior to the receivership proceedings, the Real Property was managed by Forge & Foster Asset Management Inc. and Forge & Foster Partners Inc.
6. NHE is the Company's first ranking secured creditor and the applicant in these proceedings. Pursuant to the terms of a commitment letter dated February 15, 2022, NHE loaned the Company \$12,000,000 for a term of approximately one year, which was subsequently extended to April 1, 2024.
7. The Company granted NHE security in the form of, among other things:
- (a) a first charge in the amount of \$14,400,000 over the Real Property;

- (b) a general assignment of leases and rents; and
 - (c) a general, first priority, site-specific security agreement against the present and after-acquired personal property of the Company relating solely to the Real Property (which was registered under the *Personal Property Security Act* (Ontario) on March 24, 2022).
8. As of January 10, 2025, NHE is owed approximately \$13.6 million by the Company, with costs, interest and fees continuing to accrue.
9. In addition to NHE, the Company has two other known secured creditors:
- (a) Olympia Trust Company has a \$7,965,000 charge against the Real Property, registered on October 19, 2022; and
 - (b) Reif Financial Investments Inc., Fortunafi Asset Management LLC, Yuval Bavly, Benjamin Ames and Alison Ames have a \$500,000 charge against the Real Property, registered on April 18, 2024 pursuant to Minutes of Settlement dated December 20, 2023.
10. On April 19, 2024, the Court granted 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 *Ontario Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), appointing KSV as Receiver, without security, of all of the assets, undertakings and properties of the Company.
11. On June 3, 2024, the Court issued an order (the "**Sales Process Approval Order**"), which, among other things:
- (a) approved a sales process for the Real Property (the "**Sales Process**"); and
 - (b) approved the retention of Colliers Macaulay Nicolls Inc. ("**Colliers**") as the listing agent to market the Real Property in the Sales Process.

The Sales Process

12. The Receiver carried out the Sales Process in accordance with the Sale Process Approval Order. The Sales Process is described in greater detail in the Second Report and the redacted marketing report prepared by Colliers, attached to the Second Report as Appendix "E" (the "**Colliers Report**").

13. Colliers commenced the Sales Process on June 13, 2024 and canvassed the market broadly for prospective purchasers. By July 25, 2024 (the "**Offer Not Before Date**"), 23 interested parties had signed confidentiality agreements, six interested parties had attended site tours, and four interested parties had submitted offers (including the Purchaser) (the "**Initial Offers**"). However, based on the conditions, purchase price, deposit amount and/or financial ability to close, the Receiver did not accept any of the Initial Offers. Colliers encouraged all bidders to improve the terms of their respective offers.

14. Following the Offer Not Before Date, the Receiver and Colliers continued to market the property and received three additional offers from interested parties (the "**Subsequent Offers**").

15. On October 28, 2024, the Purchaser re-submitted an unconditional offer which contemplated the highest consideration value out of both the Initial Offers and the Subsequent Offers, other than a conditional offer submitted by Mr. Mark Accardi, a director and officer of the Company, that, notwithstanding extensive efforts made by both Colliers and the Receiver, never became a firm offer. Accordingly, the Purchaser's bid was the best offer in the circumstances and deemed to be the successful bid.

The Transaction

16. The Transaction is the result of extensive negotiation between the Purchaser, Colliers, NHE and the Receiver. The material terms of the Transaction are set out in the Second Report and a copy of the redacted APS is attached to the Second Report as Appendix "F".

17. The Receiver and Colliers are of the view that the Transaction is the best option available in the circumstances and maximizes recovery for the Real Property.

18. NHE – who will not be paid in full as a result of the Transaction – supports the Transaction. Additionally, NHE does not support a continuation of these receivership proceedings, meaning there is no funding available to continue marketing the Real Property.

19. The proposed Approval and Vesting Order vests the Purchased Assets, which includes the Real Property, in the Assignee, free and clear of any claims and encumbrances (other than the Permitted Encumbrances) upon closing of the Transaction.

20. If the proposed Approval and Vesting Order is granted by the Court, the Transaction is expected to close the later of: (i) the first business day which is 10 days after the date on which the Approval and Vesting Order is issued by the Court; or (ii) March 3, 2025. The only material condition to closing is the Court's issuance of the Approval and Vesting Order.

Distributions

21. As provided for in the Ancillary Order, the Receiver is seeking authorization to distribute the net sale proceeds from the Transaction to NHE as partial repayment of the indebtedness owing to NHE by the Company and secured by NHE's mortgage (the "**NHE Indebtedness**").

22. The Receiver is also seeking the authority to make further distributions to NHE from any unused portion of the Fee Accrual or any other funds recovered in these proceedings (as applicable) up to the amount of the NHE Indebtedness (the "**Distributions**").

23. Notwithstanding the proposed Distributions, it is not expected that NHE will be repaid in full. Accordingly, the Receiver is not seeking approval or authorization to distribute the sale proceeds or other recovered funds to any of the Company's other secured or unsecured creditors.

Sealing

24. The Receiver is seeking to seal: (i) an unredacted copy of the Colliers Report, attached to the Second Report as Confidential Appendix "1", and (ii) an unredacted copy of the APS, attached to the Second Report as Confidential Appendix "2" (together, the "**Confidential Appendices**").

25. The Confidential Appendices contain sensitive information, including the value of the offers received, which could adversely impact the future marketability of the Real Property should

the Transaction not close. Sealing these documents is necessary to maximize recoveries for the Company's stakeholders and maintain the integrity of any future sale process.

26. The sealing order only applies until further order of the Court or the closing of the Transaction. The benefits of sealing the Confidential Appendices outweigh any deleterious effects.

Approval of Fees and Activities

27. The Receiver is seeking approval of: (i) its activities and conduct, as set out in the Second Report; (ii) its fees and the fees of Bennett Jones, as set out in the Fee Affidavits appended to the Second Report, and (iii) the Fee Accrual.

28. The Receiver is of the view that its activities and the fees of the Receiver and Bennett Jones (including the Fee Accrual) are reasonable and appropriate in the circumstances and should be approved.

Discharge

29. After the closing of the Transaction (if approved), the Receiver is of the view that it would be appropriate for it to be discharged, as the Receiver's mandate to realize upon the Real Property would be complete. As such, the Ancillary Order contemplates that KSV shall remain the Receiver for the performance of such incidental duties required to complete the administration of these proceedings. Once those duties are complete, the Receiver will file the Discharge Certificate, upon which time it will be discharged.

30. Pursuant to the proposed Ancillary Order, upon the Receiver filing the Discharge Certificate, the Receiver will be forever released from any and all liability that KSV now has or may hereafter have by reason of acting as the Receiver in these proceedings, save and except for any gross negligence or wilful misconduct.

OTHER GROUNDS:

31. The provisions of the BIA and the inherent and equitable jurisdiction of the Court;

32. Rules 1.04, 1.05, 2.03, 3.02, 16, 37 and 39 of the *Ontario Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and section 101 of the CJA; and

33. Such further and other grounds as counsel may advise and the Court may permit.

DOCUMENTARY EVIDENCE:

34. The following documentary evidence will be used at the hearing of the motion:

- (a) the Second Report;
- (b) the Factum of the Receiver, to be filed; and
- (c) such further and other evidence as counsel may advise and the Court may permit.

January 21, 2025

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not in its personal capacity

NHE CAPITAL CORP.

- and -

111 SHERWOOD INVESTMENTS INC.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION

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TAB 2



**Second Report of
KSV Restructuring Inc.
as Receiver and Manager of
111 Sherwood Investments Inc.**

January 21, 2025

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COURT FILE NO: CV-23-00699908-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

NHE CAPITAL CORP.

APPLICANT

- AND -

111 SHERWOOD INVESTMENTS INC.

RESPONDENT

SECOND REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER

JANUARY 21, 2025

1.0 Introduction

1. This report ("**Report**") is filed by KSV Restructuring Inc. ("**KSV**") in its capacity as receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 111 Sherwood Investments Inc. (the "**Company**"), including the real property located at 111 Sherwood Drive, Brantford, Ontario (the "**Real Property**").
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on April 19, 2024 (the "**Receivership Order**"), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix "A".
3. The principal purpose of the receivership proceedings is to conduct a Court supervised sale process for the Real Property that maximizes value for the Company's stakeholders.
4. Following a motion heard on June 3, 2024, the Court issued an Order (the "**Sale Process Order**"), which, among other things:
 - a) approved a sale process for the Real Property (the "**Sale Process**"); and
 - b) approved the retention of Colliers Macaulay Nicolls Inc. ("**Colliers**") as the listing agent to market the Real Property in the Sale Process.

A copy of the Sale Process Order is attached as Appendix "B".

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding the Company and the Real Property;
 - b) summarize the results of the Sale Process;
 - c) summarize the transaction (the “**Transaction**”) between the Receiver and 10 John Holdings Inc. (the “**Purchaser**”) for the sale of the Purchased Assets (as defined in Section 4 below) pursuant to an agreement of purchase and sale dated November 6, 2024 (the “**APS**”);
 - d) summarize the Receiver’s activities since the date of the Receiver’s first report dated May 28, 2024 (the “**First Report**”);
 - e) summarize the fees of the Receiver and Bennett Jones LLP (“**Bennett Jones**”), the Receiver’s counsel, from the commencement of this mandate to December 31, 2024;
 - f) recommend that the Court issue an Approval and Vesting Order (the “**AVO**”), among other things:
 - i. approving the APS and the Transaction; and
 - ii. transferring and vesting all of the Company’s right, title and interest in and to the Purchased Assets in the Purchaser (or its assignee¹, as set out in the APS), free and clear of all liens, charges, security interests and encumbrances other than the Permitted Encumbrances (as defined in the APS), following the Receiver’s delivery of a certificate confirming closing of the Transaction substantially in the form attached as Schedule “A” to the proposed AVO;
 - g) recommend that the Court issue an Ancillary Order (the “**Ancillary Order**”), among other things:
 - i. sealing the confidential appendices to this Report;
 - ii. approving distributions to NHE Capital Corp. (“**NHE**”) up to the balance owing to NHE by the Company and secured by NHE’s mortgage;
 - iii. approving this Report and the Receiver’s activities described herein;
 - iv. approving the fees and disbursements of the Receiver and Bennett Jones as set out in Section 7 of this Report;
 - v. discharging the Receiver upon filing a certificate with the Court confirming that all receivership matters have been completed (the “**Discharge Certificate**”);

¹ The Receiver understands that the Purchaser is in the process of incorporating a new entity, Sherwood 111 Investments Inc., for this purpose.

- vi. approving an accrual of \$150,000 (including HST) to cover the fees and disbursements of the Receiver, Bennett Jones and other ancillary costs incurred or to be incurred until the filing of the Discharge Certificate (the “**Fee Accrual**”); and
- vii. releasing the Receiver, upon its discharge, from any and all liability that KSV 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 its gross negligence or wilful misconduct.

1.2 Currency

1. All currency references in this Report are to Canadian dollars, unless otherwise noted.

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon information, including financial information, provided by the Company’s representatives, NHE, the Company’s senior secured creditor and the applicant in these proceedings, and Markland Property Management Inc. (“**Markland**”), the property manager retained by the Receiver (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. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Company and the reasons for the appointment of the Receiver are provided in the affidavits of Ely Rechtsman sworn May 19, 2023 and April 15, 2024. Copies of the Court materials filed in these proceedings are available on the Receiver’s case website at: <https://www.ksvadvisory.com/experience/case/111sherwood>.

2.0 Background

1. The Company’s principal asset is the Real Property. The Real Property comprises approximately 10.31 acres on which a number of industrial buildings are situated. The buildings have approximately 197,914 square feet of leasable space that can be used for retail, office, flex or industrial purposes. The Receiver understands that approximately 67% of the Real Property’s floor space is occupied by 24 tenants.
2. The Company is incorporated under the laws of Ontario. Based on an Ontario corporate profile search, Joseph Accardi and Mark Accardi (the “**Accardis**”) are the directors and officers of the Company.
3. Prior to the receivership proceedings, the Real Property was managed by Forge & Foster Asset Management Inc. and Forge & Foster Partners Inc. (collectively, “**Forge & Foster**”). The Receiver understands that certain entities related to Forge & Foster own or owned several properties in the southwestern Ontario market.

4. Following its appointment, the Receiver, in consultation with NHE, retained Markland to provide property management services for the Real Property. Markland is responsible for the day-to-day operations of the Real Property, including collecting rent, corresponding with tenants, arranging for ongoing repairs and maintenance, and paying expenses. The Receiver has been in frequent contact with Markland regarding the Real Property.

3.0 Creditors

3.1 Secured Creditors

1. As of January 13, 2025, the following charges were registered against the Real Property²:

Secured Creditor	Date Registered	C\$
NHE	March 24, 2022	14,400,000
Olympia Trust Company (“ Olympia ”)	October 19, 2022	7,965,000
Reif Financial Investments Inc., Fortunafi Asset Management LLC, Yuval Bavly, Benjamin Ames and Alison Ames (collectively, “ Reif ”)	April 18, 2024	500,000

2. NHE is the Company’s senior secured creditor. Pursuant to the terms of a commitment letter dated February 15, 2022, NHE loaned the Company \$12 million for a term of approximately one year, which was subsequently extended to April 1, 2024 through a forbearance agreement (the “**Loan**”)³. The Accardis and Forge & Foster are guarantors under the Loan. NHE has advised that it is owed approximately \$13.6 million as at January 10, 2025.
3. The Company granted NHE security in the form of, among others:
 - a) a first charge in the amount of \$14,400,000 over the Real Property;
 - b) a general assignment of leases and rents; and
 - c) a general, first priority, site-specific security agreement against the present and after-acquired personal property of the Company relating solely to the Real Property (which was registered under the *Personal Property Security Act* (Ontario) on March 24, 2022).

Bennett Jones has provided the Receiver with an opinion that, subject to the standard assumptions and qualifications contained therein, the security granted by the Company to NHE, including as registered on title to the Real Property, is valid and enforceable⁴.

² The Receiver understands that interest, fees and costs continue to accrue.

³ The Loan accrues interest at a rate equal to the greater of: (i) 8.50% per annum, and (ii) the floating annual rate of interest established by Canadian Imperial Bank of Commerce from time to time on similar loans plus 6.05%, calculated and payable monthly.

⁴ A copy of this opinion can be provided to the Court upon request.

4. Olympia registered a \$7,965,000 charge against the Real Property on October 19, 2022. During the receivership proceedings and Sale Process, the Receiver corresponded with Golden Horseshoe Capital ("**Golden Horseshoe**"), the mortgage administrator who formerly represented Olympia. Golden Horseshoe advised that the balance owing to Olympia was approximately \$5.9 million as at May 31, 2024.
5. Reif registered a \$500,000 charge against the Real Property on April 18, 2024, being one day before the Receivership Order was granted. The Receiver understands that the charge was registered pursuant to minutes of settlement dated December 20, 2023, between the Company, Reif, the Accardis and several companies that appear to be affiliated to Forge & Foster, among other entities.
6. As the purchase price under the Transaction is not sufficient to repay NHE in full, the Receiver has not sought an opinion with respect to the validity of the charges registered by Olympia and Reif, which were both registered after NHE's security.

3.2 CRA

1. Pursuant to a letter dated September 25, 2024 (the "**CRA Letter**"), Canada Revenue Agency ("**CRA**") asserted a property claim, deemed to be held in trust, against the Company for HST obligations of \$124,386.81 plus \$9,914.14 of interest and penalties (the "**HST Obligations**"). As set out in the CRA Letter, the HST Obligations arose in 2023 and 2024. Given that the NHE mortgage was registered in 2022, the Receiver is of the view that the NHE security ranks in priority to the HST Obligations in accordance with the *Excise Tax Act*. As a result, the Receiver has not attempted to verify the quantum of the HST Obligations. A copy of the CRA Letter is attached as Appendix "C".

4.0 Sale Process

1. The Receiver carried out the Sale Process in accordance with the Sale Process Order, each of which is described in greater detail in the First Report. A copy of the First Report is attached as Appendix "D", without appendices.
2. Pursuant to the Sale Process Order, the Receiver retained Colliers to list the Real Property for sale.
3. Colliers launched the Sale Process on June 13, 2024, by distributing an offering summary and a confidentiality agreement ("**CA**") to its data base of over 800 prospective purchasers and listing the property for sale on the Brantford multiple listing services on June 26, 2024. Colliers also directly solicited parties it thought may have an interest in the Real Property. Parties who wanted to perform due diligence were required to sign the CA, following which they were provided access to a virtual data room (the "**VDR**").
4. The VDR included information regarding the Real Property, such as tenant leases, permits, drawings and other information that had been provided to the Receiver by representatives of the Company, NHE, Forge & Foster and other third parties. The Receiver also arranged for a phase two environmental site assessment and building condition assessment to be completed and included the assessments in the VDR to support interested parties' due diligence. The VDR also included an offering memorandum prepared by Colliers, with the assistance of the Receiver.

5. The Receiver prepared a template agreement of purchase and sale (the “**Template APS**”) which was included in the VDR. Prospective purchasers were encouraged to submit offers in the form of the Template APS, and to include a blackline against the Template APS when submitting their offer.
6. Based on market feedback, the Receiver, in consultation with Colliers, set July 25, 2024, as the “**Offer Not Before Date**”. On July 12, 2024, Colliers advised its data base and interested parties of the Offer Not Before Date. At the start of the Sale Process, the Receiver advised NHE and Golden Horseshoe that, to maintain the integrity of the Sale Process, updates regarding the Sale Process, including the details of any bids, could only be shared if they confirmed, respectively, that NHE and Olympia did not intend to submit a bid in the Sale Process. Once both parties confirmed that they would not submit bids in the Sale Process, the Receiver scheduled regular Sale Process update calls with NHE and Golden Horseshoe leading up to the Offer Not Before Date and periodic calls thereafter.
7. By the Offer Not Before Date:
 - 23 interested parties signed CAs and were given access to the VDR;
 - 6 interested parties attended site tours; and
 - 4 interested parties, including the Purchaser and Mark Accardi (“**Mr. Accardi**”), a director and officer of the Company, submitted offers for the Real Property (the “**Initial Offers**”).
8. Of the Initial Offers, the lowest offer was unconditional and the three other offers, including the offer from the Purchaser and Mr. Accardi, were conditional. The Receiver discussed these offers with Colliers, NHE and Golden Horseshoe. Based on the conditions, purchase price, deposit amount and/or financial ability to close, the Receiver did not accept any of these offers and Colliers encouraged all bidders to improve the terms of their respective offers.
9. Both the Purchaser and Mr. Accardi continued to correspond with Colliers, NHE and/or the Receiver regarding revised deal terms. Mr. Accardi and the Receiver spoke on several occasions and the Receiver encouraged Mr. Accardi to submit an unconditional offer and provide evidence of his financial capability to close a transaction. Although Mr. Accardi noted that he intended to submit a firm offer, the Receiver never received an offer from Mr. Accardi after the Offer Not Before Date.
10. The Purchaser provided ongoing updates with respect to its efforts to obtain the requisite financing to submit an unconditional offer. In that regard, it engaged in discussions with NHE about obtaining a financing commitment to fund the purchase of the Real Property. On August 27, 2024, the Purchaser submitted a revised offer with an improved purchase price and deposit structure, which was conditional on the Purchaser receiving a financing commitment from NHE (the “**August 27 Offer**”). On August 29, 2024, the Receiver provided the Purchaser with a copy of the August 27 Offer with certain proposed changes blacklined, including the removal of the financing condition. Subsequently, NHE and the Purchaser continued to negotiate the terms of the commitment letter.

11. Contemporaneously with discussions with the Purchaser and Mr. Accardi, Colliers continued to market the Real Property and received 23 additional CAs and three further offers (the “**Subsequent Offers**”):
 - The Receiver received a letter of intent on September 17, 2024, which offer was subsequently improved and resubmitted on October 30, 2024 with a due diligence condition. This party was encouraged to advance its due diligence and submit an unconditional bid, which it did not.
 - Another party submitted an offer on September 20, 2024, which included a due diligence condition. Similarly, this party was encouraged to submit an unconditional bid after completing its diligence but did not.
 - A third offer was submitted on September 23, 2024 on the Ontario Real Estate Association’s form of agreement. This offer was unconditional but provided the lowest purchase price of the Subsequent Offers. This party advised it would not be able to increase its price materially and did not revise its offer.
12. After obtaining a financing commitment from NHE, the Purchaser re-submitted an unconditional offer on October 28, 2024. The Receiver proposed certain minor changes and the APS was executed on November 11, 2024. The purchase price in the APS was the highest purchase price of the Initial Offers and Subsequent Offers, with the exception of Mr. Accardi’s conditional offer submitted by the Offer Not Before Date.
13. Colliers’ marketing report summarizing the Sale Process, which includes a summary of the Initial Offers, Subsequent Offers and the APS, is attached as Appendix “E” (the “**Colliers Report**”). The names of the bidders and the terms of the offers have been redacted for the reasons set out in Section 4.3 below. An unredacted copy is provided in Confidential Appendix “1”.
14. As set out in the Colliers Report, Colliers is of the view that there is nothing to indicate that a longer listing period would generate superior offers. Colliers acknowledges the extensive marketing that occurred during the receivership proceedings and the Company’s marketing efforts prior to the receivership proceedings which did not result in a transaction.

4.1 The Transaction⁵

1. A copy of the redacted APS is attached as Appendix “F” and a copy of the unredacted APS is attached as Confidential Appendix “2”. Only the Purchase Price has been redacted in Appendix “F”.
2. The key terms and provision of the APS are as follows:
 - a) Purchaser: 10 John Holdings Inc.
 - b) Purchased Assets: All of the Company’s right, title and interest in: (i) the Real Property, (ii) the Leases, (iii) all prepaid expenses and deposits related to the Real Property, (iv) the Permits, and (v) all intellectual property owned by the Company (as applicable).

⁵ Capitalized terms not otherwise defined in this section have the meanings ascribed to them in the APS.

- c) Purchase Price: For the reasons provided in Section 4.3 of this Report, the Receiver believes that it is appropriate that the Purchase Price be sealed pending closing of the Transaction.

The Purchase Price is subject to standard adjustments for a real estate transaction, including property taxes.

- d) Deposits: \$750,000 (in the aggregate), which have been paid to the Receiver, in trust.

- e) Excluded Assets: include:

- i. original tax records and books and records, including minute books, corporate seals, taxpayer and other identification numbers, and other documents that relate to the organization, maintenance and existence of the Company;
- ii. the benefit of any refundable taxes payable or paid by the Company in respect of the Purchased Assets, and any claim or right of the Company to any refund, rebate or credit of taxes, for the period prior to the Closing Date; and
- iii. the Contracts.

- f) Excluded Liabilities: any liabilities, obligations or commitments (other than the Permitted Encumbrances) of the Company, the Receiver or any other person, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising from the operation of the Company's business. The Excluded Liabilities shall include, but are not limited to, the following:

- i. except as otherwise agreed in the APS, all taxes payable by the Company or the Receiver arising with respect to any period prior to the Closing Date and all taxes payable relating to any assets other than the Purchased Assets;
- ii. except as otherwise agreed in the APS, any liability, obligation or commitment associated with accounts payable incurred prior to Closing or any employees or contractors of the Company;
- iii. any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;
- iv. any liability, obligation or commitment associated with any of the Excluded Assets; and
- v. except as otherwise agreed in the APS, 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.

- g) Closing Date: the later of (i) the first Business Day which is 10 days after the date on which the AVO is issued by the Court; or (ii) March 3, 2025.
- h) Material Conditions:
 - i. 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; and
 - ii. the Court shall have issued the AVO.

4.2 Recommendation

1. The Receiver recommends that the Court approve the Transaction for the following reasons:
 - a) in the Receiver's view, the Sale Process undertaken by the Receiver was commercially reasonable and conducted in accordance with the terms of the Sale Process Order;
 - b) Colliers has extensive experience selling commercial properties in Southwestern Ontario, including around the Brantford area, and widely canvassed the market for prospective purchasers;
 - c) the Real Property was marketed for an extensive period of time, had been marketed recently prior to the start of the receivership proceedings and, accordingly, neither the Receiver nor Colliers is of the view that further time spent marketing the Real Property will result in a superior transaction;
 - d) the APS is the result of extensive negotiation with Colliers, NHE and the Receiver;
 - e) the Receiver and Colliers are of the view that the Transaction is the best available in the circumstances and maximizes recovery for the Real Property;
 - f) NHE supports the Transaction notwithstanding that it will not be repaid in full;
 - g) NHE does not support a continuation of these proceedings. Accordingly, there is no funding available to continue to market the Real Property for sale;
 - h) the Transaction is unconditional in all material aspects except for Court approval; and
 - i) as at the date of this Report, the Receiver is not aware of any objections to the relief being sought pursuant to the proposed AVO.

4.3 Sealing

1. The Receiver recommends that the Colliers Report and the unredacted copy of the APS (together, the “**Confidential Appendices**”) be filed with the Court on a confidential basis and remain sealed pending further order of the Court or closing of the Transaction. The Receiver believes that making this information publicly available may negatively impact any future sale process for the Purchased Assets if the Transaction is not approved by the Court or does not close.
2. Sealing this information until the Transaction closes or further Order of the Court should assist to maximize recoveries in these proceedings and maintain the integrity and confidentiality of key information in the Sale Process, particularly as it relates to the value of the Transaction.
3. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Receiver is of the view that the sealing of the Confidential Appendices is consistent with the decision in [Sherman Estate v. Donovan, 2021 SCC 25](#). Accordingly, the Receiver believes the proposed sealing order is appropriate in the circumstances.

5.0 Overview of the Receiver’s Activities

1. The Receiver’s activities since the date of the First Report have included, *inter alia*, the following:
 - corresponding on a regular basis with Bennett Jones regarding all aspects of this mandate;
 - discussing certain operational matters regarding the Real Property with NHE;
 - corresponding with Markland, as property manager, regarding operational matters including dealing with tenants, maintenance and repairs;
 - reviewing Markland’s monthly reporting;
 - corresponding with tenants regarding the collection of monthly rent and lease extensions;
 - entering into lease extension agreements with certain tenants;
 - corresponding with PayQuad Solutions, the software platform provider used to collect rent;
 - corresponding with the Bank of Nova Scotia, the Company’s banking provider, to arrange for ongoing transfers of rent collections to the Receiver’s bank account;
 - corresponding with the Canada Revenue Agency regarding HST;

- corresponding with the Company's insurance broker regarding the insurance policy for the Real Property;
- preparing an Interim Report of the Receiver for the Company pursuant to Subsection 246(2) of the *Bankruptcy and Insolvency Act* (Canada); and
- drafting this Report and reviewing all motion materials filed in connection with this motion.

6.0 Distributions

1. The Receiver is seeking the Court's authorization and direction to distribute the net cash proceeds from the Transaction (the "**Sale Proceeds**") to NHE as payment towards the Company's indebtedness owing to NHE under its mortgage (the "**NHE Indebtedness**"), less: i) the Fee Accrual; and ii) any other accrued and unpaid expenses in the receivership proceedings.
2. The Receiver is also seeking the Court's authority to make further distributions (as applicable) to NHE up to the amount of the NHE Indebtedness from any unused portion of the Fee Accrual or if there are any other amounts recovered in these proceedings. The NHE Indebtedness is not expected to be repaid in full from the net Sale Proceeds, and it is not expected that there will be sufficient funds, from the Sale Proceeds or otherwise, to make any distributions to the other creditors of the Company.

7.0 Professional Fees

1. The fees of the Receiver and Bennett Jones from the commencement of this mandate to December 31, 2024 total \$219,642.00 and \$134,353.50, respectively, excluding disbursements and HST. Fee affidavits and accompanying invoices for the Receiver and Bennett Jones are provided as Appendices "G" and "H", respectively.
2. The activities of the Receiver are detailed in the Receiver's invoices, in this Report and in the First Report.
3. The average hourly rate for the Receiver and Bennett Jones for the referenced billing period was \$523.08 and \$713.75, respectively.
4. The Receiver is of the view that the hourly rates charged by Bennett Jones are consistent with rates charged by law firms practising in restructuring and insolvency in the downtown Toronto market, and that the fees charged are reasonable and appropriate in the circumstances.
5. The Receiver also believes that the Fee Accrual is reasonable in the circumstances and will allow the Receiver and Bennett Jones to conduct the incidental duties required (as discussed below) prior to the termination of these receivership proceedings, including closing the Transaction (assuming it is approved by the Court).

8.0 Receiver's Discharge

1. Provided the Court approves the Transaction and the Transaction closes, the Receiver believes it is appropriate for it to be discharged as there would be no known outstanding matters that would require the receivership proceedings to continue.
2. Prior to completing its administration, the Receiver intends to:
 - a) pay any outstanding expenses and professional fees in these proceedings;
 - b) make one or more distributions to NHE;
 - c) prepare and file the Receiver's final report pursuant to Section 246 of the *Bankruptcy and Insolvency Act*, and
 - d) deal with any sundry issues not specified above (collectively, the "**Remaining Duties**").
3. Once the Receiver has completed its Remaining Duties, and subject to Court approval, the Receiver intends to file the Discharge Certificate.

9.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that the Court grant an order approving the relief set out in Section 1.1 (1)(f) and (g) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
111 SHERWOOD INVESTMENTS INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



Court File No. CV-23-00699908-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**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**

THE HONOURABLE

)

FRIDAY, THE 19th

JUSTICE OSBORNE

)

DAY OF APRIL, 2024

)

B E T W E E N:

NHE CAPITAL CORP.

Applicant

- and -

111 SHERWOOD INVESTMENTS INC.

Respondent

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order appointing KSV Restructuring Inc. as receiver and manager (in such capacities, the “Receiver”), without security, of all of the assets, undertakings and properties of the Respondent 111 Sherwood Investments Inc. (the “Debtor”), was heard this day by Zoom judicial videoconference.

ON READING the affidavit of Ely Rechtsman sworn May 19, 2023 and the Exhibits thereto, the affidavit of Paul Muchnik sworn June 29, 2023 and the Exhibits thereto, and affidavit of Ely Rechtsman sworn April 15, 2024, and the Exhibits thereto, and on hearing the submissions

of counsel for the Applicant, counsel for, no one else appearing although duly served as appears from the affidavit of service of Janet Nairne sworn May 25, 2023 and the affidavit of service of David Seifer sworn April 16, 2024, and on reading the consent of KSV Restructuring Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and Application Record is hereby abridged and validated 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 *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, KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, including, without limitation, the lands and premises legally described in Schedule “A” hereto, and all proceeds thereof (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, 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 market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- k) 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, and in each such case, notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- l) 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;
- m) 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 Receiver's administration, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- o) 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;
- p) 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;
- q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
- s) 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 the Debtor and the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and, 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 access 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. For greater certainty, and without limiting the generality of the foregoing, the Receiver is authorized and empowered to access and make, retain and take away copies of the Records of the Debtor in respect of the Property located at the offices of the Debtor and the Debtor shall cooperate and shall provide reasonable assistance to the Receiver with respect to such Records and information contained in such Records.

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, 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 Appointment Accounts") and the monies standing to the credit of such Post Appointment 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 their 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 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 \$500,000.00 (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/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/experience/case/111sherwood>.

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 or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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.

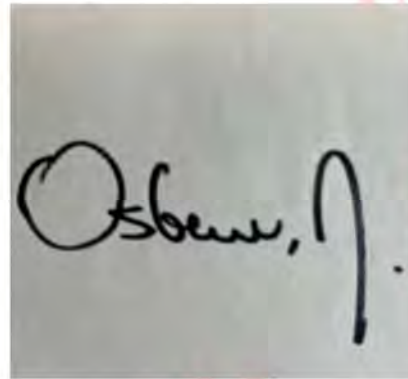
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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 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.

33. THIS COURT ORDERS that this Order is effective from today's date and is not required to be entered.

A rectangular box containing a handwritten signature in black ink. The signature appears to be "Osborne, J." written in a cursive style.

2024.04

.19

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SCHEDULE "A"

LANDS AND PREMISES

PIN: 32278-0149 (LT)

PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 4 AND 5 2R8327 AND PART 1 2R8327 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 6 AND 7 2R8603; SUBJECT TO AN EASEMENT AS IN BC357075; SUBJECT TO AN EASEMENT OVER PARTS 4 AND 5 2R8327 AS IN BC107568; TOGETHER WITH AN EASEMENT OVER PART LOT C NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 8 2R8603 IN FAVOUR OF PARTS 1, 2, 3, 4 AND 7 2R8603 AS IN A145258; TOGETHER WITH AN EASEMENT OVER PART LOT D NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 15 2R8603 IN FAVOUR OF PARTS 1, 2, 3 AND 4 2R8603 AS IN BC107530; TOGETHER WITH AN EASEMENT OVER PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 14 AND 16 2R8603 IN FAVOUR OF PART 7 2R8603 AS IN BC122397; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10, 11, 12, 13 AND 17 2R8603 AS IN BC357075; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10 AND 17 2R8603 AS IN BC357075; CITY OF BRANTFORD

PIN: 32278-0148 (LT)

FIRSTLY: PART LOTS D, E AND F NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 1 2R8603 SECONDLY: PART LOTS D AND E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 2 2R8603 THIRDLY: PART LOT D NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 3 2R8603 FOURTHLY: PART LOTS E AND F NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 4 2R8603 FIFTHLY: PART LOT F NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 5 2R8603 SIXTHLY: PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 6 AND 7 2R8603; TOGETHER WITH AN EASEMENT OVER PART LOT C NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 8 2R8603 IN FAVOUR OF PARTS 1, 2, 3, 4 AND 7 2R8603 AS IN A145258; TOGETHER WITH AN EASEMENT OVER PART LOT D NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 15 2R8603 IN FAVOUR OF PARTS 1, 2, 3 AND 4 2R8603 AS IN BC107530; TOGETHER WITH AN EASEMENT OVER PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 14 AND 16 2R8603 IN FAVOUR OF PART 7 2R8603 AS IN BC122397; TOGETHER WITH AN

EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10, 11, 12, 13 AND 17 2R8603 AS IN BC357075; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10 AND 17 2R8603 AS IN BC357075; SUBJECT TO AN EASEMENT OVER PART 2 2R8603 AS IN A249453; SUBJECT TO AN EASEMENT OVER PART 3 2R8603 AS IN A249454; SUBJECT TO AN EASEMENT OVER PARTS 1, 2, 3, 4, 5, 6 AND 7 2R8603 IN FAVOUR OF PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 6, 8, 9, 11, 12 AND 13 2R8327 AS IN BC357075; SUBJECT TO AN EASEMENT OVER PARTS 4 AND 5 2R8603 IN FAVOUR OF PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 6, 8, 9, 11, 12 AND 13 2R8327 AS IN BC357075; CITY OF BRANTFORD

Municipal Address: 111 Sherwood Drive, Brantford Ontario

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the Receiver (the "Receiver") of all of the assets, undertakings and properties of 111 Sherwood Investments Inc. (the "Debtor"), including the lands and premises municipally known as 111 Sherwood Drive, Brantford, Ontario (the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the [DATE] (the "Order") made in an application having Court file number, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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 _____, 2024.

KSV Restructuring Inc., solely in its capacity as
Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

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

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(Appointing Receiver)**

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

David P. Preger (36870L)

Email: dpreger@dickinsonwright.com

Tel: (416) 646-4606

David Z. Seifer (77474F)

Email: dseifer@dickinsonwright.com

Tel: (416) 646-6867

Lawyers for the Applicant

4884-0302-6871 v2 [100913-1]

Appendix “B”



Court File No. CV-23-00699908-00CL

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

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

THE)
HONOURABLE)
JUSTICE KIMMEL)
MONDAY, THE 3rd
DAY OF JUNE, 2024

BETWEEN:

NHE CAPITAL CORP.

Applicant

- and -

111 SHERWOOD INVESTMENTS INC.

Respondent

SALE PROCESS APPROVAL ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of 111 Sherwood Investments Inc. (the "**Debtor**"), including, without limitation, the real property owned by the Debtor municipally known as 111 Sherwood Drive, Brantford, Ontario and all proceeds thereof (the "**Property**"), for an order, among other things, approving (i) the proposed Sale Process (as defined and described in the First Report of the Receiver dated May 28, 2024 (the "**First Report**")), and (ii) the First Report and the Receiver's activities and conduct therein, was heard this day by judicial videoconference.

ON READING the First Report (including the appendices thereto), and on hearing the submissions of counsel for the Receiver, and such other counsel as was present, no one else appearing although properly served, as appears from the affidavit of Jamie Ernst sworn and filed.

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined shall have the meanings ascribed to them in the First Report.

SALE PROCESS

3. **THIS COURT ORDERS** that the proposed Sale Process be and is hereby approved. The Receiver is hereby authorized to carry out the Sale Process and to take such steps as it considers necessary or desirable in carrying out its obligation thereunder, subject to prior approval of this Court being obtained before completion of any transaction under the Sale Process. The listing agreement dated May 28, 2024 between the Receiver and Colliers Macaulay Nicolls Inc. is also hereby approved.

4. **THIS COURT ORDERS** that without limiting paragraph 3 of this Order, the Receiver is authorized to take any and all steps necessary to commission environmental studies and/or reports as may be required, in the sole discretion of the Receiver, to facilitate the Sale Process. All tenants located on the Property are required to cooperate with the Receiver and provide reasonable access

of their leased spaces to the Receiver and any professional retained to assist with the Sale Process, including any such studies or reports.

5. **THIS COURT ORDERS** that the Receiver 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 liability of any nature or kind to any person in connection with or as a result of performing its duties under the Sale Process, except to the extent such losses, claims, damages or liabilities arise or result from the gross negligence or wilful misconduct of the Receiver, as determined by this Court.

PIPEDA

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, 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.


APPROVAL OF THE RECEIVER'S ACTIVITIES AND REPORT

7. **THIS COURT ORDERS** that the First Report is hereby approved and the activities and conduct of the Receiver as described therein is hereby ratified and approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals.

GENERAL

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.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order.



Digitally signed by
Jessica Kimmel
Date: 2024.06.03
13:36:25 -04'00'

NHE CAPITAL CORP.

Applicant

- and -

111 SHERWOOD INVESTMENTS INC.

Respondent

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

Proceeding commenced at Toronto

SALE PROCESS APPROVAL ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Sean H. Zweig (LSO #57307D)
Tel: (416) 777-6253
Fax: (416) 863-1716

Jamie Ernst (LSO# 88724A)
Tel:(416) 777-7867
Fax: (416) 863-1716

Counsel to KSV Restructuring Inc., solely in its
capacity as Court-appointed Receiver and not in its
personal capacity

Appendix “C”



Tax Centre
Hamilton ON L8R 3P7

September 25, 2024

111 SHERWOOD INVESTMENTS INC.
C/O KSV RESTRUCTURING INC.
200 BAY STREET, SUITE 1300
TORONTO ON M5J 2W4

Account Number
72362 6511 RT0001

Dear Mr. Ben Luder:

Subject: 111 SHERWOOD INVESTMENTS INC.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$134,300.95.

Period outstanding	GST/HST payable	Penalty & interest	Total
2024-04-19	19,507.54	878.66	20,386.20
2024-03-31	41,606.61	2208.27	43,814.88
2023-12-31	26,920.24	2349.13	29,269.37
2023-09-30	34,330.41	4163.92	38,494.33
2023-06-30	2,022.01	314.16	2,336.17
TOTAL	\$124,386.81	\$9,914.14	\$134,300.95

Under the Excise Tax Act, \$124,386.81 of the above totals represents property of the Crown held in trust and does not form part of 111 SHERWOOD INVESTMENTS INC.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$124,386.81 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell

.../2



us when you will pay the remaining balance of \$9,914.14.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 416-997-1102.

Yours truly,



Kamila Figaszewska (1220)
Complex Case Officer

Appendix “D”



**First Report of
KSV Restructuring Inc.
as Receiver and Manager of
111 Sherwood Investments Inc.**

May 28, 2024

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COURT FILE NO: CV-23-00699908-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

NHE CAPITAL CORP.

APPLICANT

- AND -

111 SHERWOOD INVESTMENTS INC.

RESPONDENT

FIRST REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER

MAY 28, 2024

1.0 Introduction

1. This report (“**Report**”) is filed by KSV Restructuring Inc. (“**KSV**”) in its capacity as receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of 111 Sherwood Investments Inc. (the “**Company**”), including the real property located at 111 Sherwood Drive, Brantford, Ontario (the “**Real Property**”).
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on April 19, 2024 (the “**Receivership Order**”), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix “A”.
3. The principal purpose of the receivership proceedings is to conduct a Court-supervised sale process for the Real Property that maximizes value for the Company’s stakeholders.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company, the Real Property and these proceedings;
 - b) summarize a recommended sale process (the “**Sale Process**”) for the Real Property, including the retention of Colliers Macaulay Nicolls Inc. (“**Colliers**”) to act as listing agent pursuant to a listing agreement dated May 28, 2024 (the “**Listing Agreement**”);

- c) provide an overview of the Receiver's activities since the commencement of these proceedings; and
- d) recommend that the Court issue an order:
 - approving the Sale Process, including the retention of Colliers to list the Real Property for sale pursuant to the Listing Agreement;
 - approving this Report and the Receiver's activities detailed herein.

1.2 Currency

1. All currency references in this Report are to Canadian dollars, unless otherwise noted.

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon information, including financial information, provided by the Company's representatives, NHE Capital Corp. ("**NHE**"), the Company's senior secured creditor and the applicant in these proceedings and Markland Property Management Inc. ("**Markland**"), the property manager of the Real Property (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. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Company and the reasons for the appointment of the Receiver are provided in the affidavit of Ely Rechtsman sworn May 19, 2023 (the "**Rechtsman Affidavit**"). Copies of the Court materials filed in these proceedings are available on the Receiver's case website at: <https://www.ksvadvisory.com/experience/case/111sherwood>.

2.0 Background

1. The Company's principal asset is the Real Property (also known as "Brantford Cordage District"). The Real Property comprises approximately 10.31 acres on which a number of industrial buildings are situated. The buildings have approximately 197,914 square feet of leasable space that can be used for retail, office, flex or industrial purposes. The Receiver understands that approximately 90% of the Real Property's floor space is occupied by 25 tenants.
2. The Company is incorporated under the laws of Ontario. Based on an Ontario corporate profile search, Joseph Accardi and Mark Accardi (the "**Accardis**") are the directors and officers of the Company.

3. Prior to the receivership proceedings, the Real Property was managed by Forge & Foster Asset Management Inc. and Forge & Foster Partners Inc. (collectively, “**Forge & Foster**”). The Receiver understands that certain entities related to Forge & Foster own or owned several properties in the southwestern Ontario market.
4. Following its appointment, the Receiver, in consultation with NHE, retained Markland to provide property management services for the Real Property. Markland is responsible for the day-to-day operations of the Real Property, including collecting rent, corresponding with tenants, arranging for ongoing repairs and maintenance, and paying expenses. The Receiver has been in frequent contact with Markland regarding the status of the Real Property.

3.0 Creditors

3.1 Secured Creditors

1. As of April 19, 2024, the following charges were registered against the Real Property¹:

Secured Creditor	Date Registered	C\$
NHE	March 24, 2022	14,400,000
Olympia Trust Company (“ Olympia ”)	October 19, 2022	7,965,000
Reif Financial Investments Inc., Fortunafi Asset Management LLC, Yuval Bavly, Benjamin Ames and Alison Ames (collectively, “ Reif ”)	April 18, 2024	500,000

2. NHE is the Company’s senior secured creditor. Pursuant to the terms of a commitment letter dated February 15, 2022, NHE loaned the Company \$12,000,000 for a term of approximately one year, which was subsequently extended to April 1, 2024 through a forbearance agreement (the “**Loan**”)². The Accardis and Forge & Foster are guarantors under the Loan.
3. The Company granted NHE security in the form of, *inter alia*:
 - a) a general security agreement (which was registered under the *Personal Property Security Act (Ontario)* on March 24, 2022);
 - b) a first charge in the amount of \$14,400,000 over the Real Property;
 - c) a general assignment of leases and rents; and

¹ The Receiver understands that interest, fees and costs continue to accrue.

² The Loan accrues interest at a rate equal to the greater of: (i) 8.50% per annum and (ii) the floating annual rate of interest established by Canadian Imperial Bank of Commerce from time to time on similar loans plus 6.05%, calculated and payable monthly.

- d) a general, first priority, site-specific security agreement against the present and after-acquired personal property of the Company relating solely to the Real Property.

The Receiver's counsel, Bennett Jones LLP ("**Bennett Jones**"), has provided an opinion that, subject to the standard assumptions and qualifications contained therein, the security granted by the Company to NHE, including as registered on title to the Real Property, is valid and enforceable³.

4. Olympia registered a \$7,965,000 charge against the Real Property on October 19, 2022. Forge & Foster advised that the balance owing to Olympia is approximately \$5.9 million, which will be reviewed by the Receiver in due course, if necessary.
5. Reif registered a \$500,000 charge against the Real Property on April 18, 2024, being one day before the Receivership Order was granted. The Receiver understands that the charge was registered pursuant to minutes of settlement dated December 20, 2023 between the Company, Reif, the Accardis and several companies that appear to be affiliated to Forge & Foster, among other entities (the "**Minutes of Settlement**"). The Receiver has received a copy of the Minutes of Settlement and is in the process of reviewing it.
6. At this time, the Receiver has not instructed Bennett Jones to prepare security opinions with respect to the Olympia or Reif security.

3.2 Unsecured Creditors

1. According to the Company's books and records, there is approximately \$297,000 owing to unsecured creditors. The Receiver is not yet aware if the Canada Revenue Agency has a claim against the Company.

4.0 Sale Process

4.1 Request for Proposals from Realtors

1. At the commencement of these proceedings, the Receiver solicited proposals from two realtors to act as the listing agent for the Real Property, subject to Court approval. The realtors are known to the Receiver as having considerable experience in the listing and sale of commercial and industrial properties in southwestern Ontario and are both well positioned to market the Real Property to potential buyers.
2. The Receiver requested that each realtor provide certain information in its proposal, including each firm's experience and knowledge of the Brantford market, a marketing plan for the Real Property, the indicative range of values for the Real Property and the realtor's proposed commission structure. A copy of the request for proposals sent to the realtors is attached as Appendix "B".

³ A copy of this opinion can be provided to the Court upon request.

3. Both realtors submitted proposals on May 13, 2024.
4. The Receiver recommends that the Court authorize the Receiver to retain Colliers as the listing agent for the Real Property for the following reasons:
 - a) NHE, as the largest and first ranking secured creditor, supports the retention of Colliers;
 - b) the Colliers team managing the mandate has significant experience selling industrial properties in the Southwestern Ontario, including Brantford;
 - c) KSV has previously retained the same Colliers team for similar mandates and the Colliers team achieved strong results;
 - d) Colliers' proposed commission rate is reasonable based on KSV's experience selling real estate and is acceptable to NHE; and
 - e) Colliers is familiar with the property as it was marketing the Real Property immediately prior to these receivership proceedings.
5. The Receiver also advised Olympia that it intended to select Colliers as its listing agent and has not received a response.
6. A copy of the Listing Agreement is attached as Appendix "C".

4.2 Sale Process

1. The Receiver has worked with Colliers to develop a Sale Process for this mandate, which is summarized in the table below.

Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Due diligence	➤ Colliers to review all available documents (financial, legal and environmental reports) concerning the Real Property.	Week 1
Finalize marketing materials	➤ Colliers and the Receiver to: <ul style="list-style-type: none"> ○ prepare a marketing brochure; ○ populate an online data room; ○ prepare a confidentiality agreement ("CA"); and ○ prepare a Confidential Information Memorandum ("CIM"). 	
Consulting Reports	➤ The Receiver is arranging for updated and/or new consulting reports to facilitate due diligence by interested parties. These will be made available in the data rooms.	
Prospect Identification	<ul style="list-style-type: none"> ➤ Colliers will qualify and prioritize prospects; and ➤ Colliers will also have pre-marketing discussions with targeted prospects. 	

Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 2 – Marketing and Offer Solicitation</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ sending offering summary and marketing materials, including marketing brochure to Colliers’ client base, including specifically targeted prospects; ○ publishing the acquisition opportunity in such journals, publications and online as Colliers and the Receiver believe appropriate to maximize interest in this opportunity; ○ posting “for sale” signs on the Real Property; ○ engaging in direct canvassing of most likely prospects and tailoring the pitch to each of these candidates based on the brokers’ knowledge of these parties; ○ posting the acquisition opportunity on MLS on an unpriced basis; and ○ meeting with prospective bidders to explain the potential of each site. ➤ Colliers to provide detailed information to qualified prospects that sign the CA, including the CIM and access to the data room; ➤ Colliers and the Receiver to facilitate diligence by interested parties; ➤ The Receiver and legal counsel will prepare a vendor’s form of Purchase and Sale Agreement (“PSA”) which will be made available in the data room; and ➤ Receiver to arrange for certain updated and/or new consulting reports to facilitate due diligence. These will also be made available in the data rooms, where applicable. 	Week 2-6
Stage 3	<ul style="list-style-type: none"> ➤ “Offer not Before Date” of July 8th, 2024 (tentative date – subject to achieving previous timelines and market feedback). ➤ Prospective purchasers encouraged to submit offers in the form of the PSA, with any changes to the PSA blacklined. Initial submissions on letters of intent (“LOI”) will be permitted to facilitate investor offerings. 	July 8 th , 2024 (tentative date)
<i>Phase 3 – Offer Review and Negotiations</i>		
	<ul style="list-style-type: none"> ➤ Short listing of bidders. ➤ Further bidding - bidders may be asked to improve their offers. The Receiver may invite parties to participate in as many rounds of bidding as is required to maximize the consideration and minimize closing risk. The Receiver may also seek to clarify terms of the offers submitted and to negotiate such terms. ➤ The Receiver will be at liberty to consult with the mortgagees regarding the offers received, subject to any confidentiality requirements that the Receiver believes appropriate. 	Week 7-8

Sale Process		
Milestone	Description of Activities	Timeline
	<ul style="list-style-type: none"> ➤ Select successful bidder(s) and finalize definitive documents. The Receiver will select the successful bidder(s), having regards to, among other things: <ul style="list-style-type: none"> ○ total consideration (cash and assumed liabilities); ○ form of consideration being offered; ○ third-party approvals required, if any; ○ conditions, if any, and time required to satisfy or waive same; and ○ such other factors affecting the speed and certainty of closing and the value of the offers as the Receiver considers relevant. ➤ 2nd round bids and further bidding - prospective purchasers may be asked to re-submit PSAs on one or more occasions. Bidders will be strongly encouraged to submit offers in the form of the PSAs in the event of 2nd or subsequent rounds of bidding. 	
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents, subject to any final diligence to be performed by the purchaser. ➤ Back up bidders will be kept “warm” in order to have options in case selected bidder does not close. 	Week 9
Due Diligence	<ul style="list-style-type: none"> ➤ Manage and monitor final due diligence process, if applicable; ➤ Gather and/or commission missing documentation; and ➤ Additional site visits, as required. 	Week 9-12
Phase 4 – Closing		
Sale Approval Motion	<ul style="list-style-type: none"> ➤ Upon execution of definitive transaction documents, the Receiver will seek Court approval of the successful offer, on not less than 7 calendar days’ notice to the service list and registered secured creditors. 	Approximately 15 to 30 days from the date that the selected bidder confirms all conditions have been satisfied or waived
Closing	<ul style="list-style-type: none"> ➤ Following Court approval 	ASAP

2. Additional aspects of the Sale Process include:

- a) the Receiver may be required to commission environmental studies and/or other reports prior to closing. Court approval of the Sale Process shall authorize the Receiver to take any and all steps necessary to commission such studies/reports, including requiring the tenants to cooperate with the Receiver and provide reasonable access to their property to the consultants retained for such purposes;
- b) the Real Property will be marketed on an “as is, where is” basis;

- c) to the extent permitted by law, all of the rights, title and interests of the Company in the Real Property will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to one or more approval and vesting orders to be sought by the Receiver;
- d) if the Receiver believes, in its sole discretion, that it will assist to maximize recoveries, the Receiver will have the right to: (i) waive strict compliance with the terms of the Sale Process, including any of the deadlines in the table above; and (ii) modify and adopt such other procedures that will better promote the sale of the Real Property or increase the aggregate recoveries for stakeholders;
- e) Colliers' commission will be reduced to a flat fee of \$50,000 in the event that the Real Property is acquired by NHE by way of a credit bid;
- f) any material modifications to, or the termination of, the Sale Process shall require Court approval; however, the Receiver shall have the discretion to adjust any timeline in the Sale Process to the extent it believes it to be appropriate to maximize value;
- g) the Receiver will have the right to reject any and all offers, including the highest dollar value offer(s); and
- h) any transaction will be subject to Court approval.

4.3 Right of First Refusal

1. The Receiver and/or Colliers intend to contact each tenant that holds certain rights of first refusal (the "**ROFR Holder**") to discuss such right. There are two known ROFR Holders.
2. The Receiver is of the view that the tenants are stayed from exercising their first right during the receivership proceedings. The Receiver is in the process of reviewing the tenants' lease agreements and the rights of these tenants may be addressed at a later date when Court approval of a sale transaction is recommended.

4.4 Sale Process Recommendation

1. The Receiver recommends that the Court grant an order approving the Sale Process for the following reasons:
 - a) the Sale Process is a fair, open and transparent process intended to canvass the market broadly on an orderly basis. The terms are consistent with real estate sale processes approved in the context of receivership proceedings;
 - b) there will be no delay commencing the Sale Process as Colliers has already commenced its underwriting process and has prior experience marketing the Real Property. This should allow for the process to be conducted on a timely basis, which will assist to reduce costs;

- c) the duration of the Sale Process is sufficient to allow interested parties to perform diligence and to submit an offer on or before the offer deadline, which is tentatively July 8, 2024. The marketing process is anticipated to last approximately five weeks, subject to the Receiver's right to extend or amend timelines, as appropriate;
 - d) Colliers' team for this mandate is based out of its Toronto and Southwestern Ontario offices, has experience selling industrial/commercial properties in the Brantford area and has national reach. The Receiver is of the view that Colliers' commission rate is consistent with market rates; and
 - e) NHE supports the Sale Process, including Colliers' engagement.
2. Based on the foregoing, the Receiver recommends Court approval of the Sale Process, including the retention of Colliers.

5.0 Overview of the Receiver's Activities

1. The Receiver's activities since the commencement of these proceedings have included, *inter alia*, the following:
 - reviewing NHE's receivership application materials and the Receivership Order;
 - corresponding on a regular basis with Bennett Jones, NHE and Olympia regarding all aspects of this mandate;
 - corresponding with the Company's representatives regarding operational issues, such as collecting rent from tenants and dealing with maintenance and repairs;
 - corresponding with the Company regarding its books and records and reviewing same, including the rent roll, tenant delinquency report, leases, property tax information, maintenance information, property insurance, environmental reports, property condition assessments, surveys and engineering reports;
 - engaging Tert & Ross Ltd., a third party contractor, at the commencement of these proceedings to visit the Real Property to assess its condition and speak to the tenants;
 - opening a receivership bank account;
 - corresponding with the Company's insurance broker regarding the existing insurance policy and arranging a renewal of the insurance policy;
 - corresponding with tenants regarding the receivership proceedings and the collection of monthly rent payments;
 - engaging Markland as property manager and corresponding with Markland in relation to tenant, maintenance, and capital improvement matters;

- corresponding with the Canada Revenue Agency regarding the Company's HST accounts;
- corresponding with the Company's utility companies to continue such services during the receivership;
- preparing a request for proposals to select a realtor;
- reviewing and summarizing the proposals submitted by the realtors and discussing same with NHE;
- negotiating the Listing Agreement with Colliers and discussing same with NHE;
- drafting and sending to all creditors the Notice and Statement of the Receiver pursuant to Sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
- corresponding with PayQuad Solutions, the software platform used to collect rent, regarding the collection of monthly rent;
- drafting this Report and reviewing all motion materials filed in connection with this motion; and
- dealing with other matters pertaining to the administration of this mandate.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that the Court grant an order approving the relief set out in Section 1.1 (1)(d) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
111 SHERWOOD INVESTMENTS INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “E”

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Memorandum – Sale Process

To: KSV Restructuring Inc., in its capacity as the court appointed receiver and manager of 111 Sherwood Investments Inc.

From: Colliers International

Date: January 20th, 2025

Re: Sale Process – 111 Sherwood Drive, Brantford, Ontario

As requested, Colliers International (“Colliers”) is pleased to provide this memorandum summarizing the sale process employed by Colliers in the sale of 111 Sherwood Drive, Brantford, Ontario (the “Subject Property”).

- Through a Request for Proposals for Real Estate Broker Services process conducted by KSV Restructuring Inc., in its capacity as the court-appointed receiver and manager of 111 Sherwood Investments Inc. (the “Receiver”) in May 2024, Colliers was selected as listing agent to sell the Subject Property. A listing agreement between the Receiver and Colliers was executed on May 27th, 2024.
- After completing a review of the information provided by the Receiver for the Subject Property and preparing marketing materials, including a brochure and a confidential information memorandum, Colliers launched the listing to its proprietary list of over 800 investors on June 13th, 2024. Within 14 days of the initial marketing launch, the Subject Property was also listed on the Brantford Multiple Listing Services (MLS) on June 26th, 2024.
- An “offer not before date” of July 25th, 2024 for the Subject Property was communicated to the market by Colliers on July 12th, 2024.
- During the initial marketing process (between June 13th and July 25th), 23 Confidentiality Agreements (“CAs”) were executed by potential purchasers (a summary of these parties is included in Schedule “A” hereto) and six interested parties toured the Subject Property.
- On the “offer not before date”, four offers were submitted (a summary of the offers is listed in Schedule “B” hereto). The offers ranged in purchase price from [REDACTED] to [REDACTED]. The [REDACTED] offer was the only unconditional bid. The three other offers contained conditions with financing and/or due diligence periods ranging from 14 to 40 days. A [REDACTED] offer was not submitted on the Receiver’s form of APS. 10 John Holdings Inc. (the “Purchaser”) submitted a conditional [REDACTED] offer.
- Due to the conditionality of the offers, the amount of the purchase price, the deposits and/or the bidders’ ability to close the transaction, none of the offers were accepted and each of the four parties were encouraged to improve their terms.
- Colliers continued to market the Subject Property until early November 2024 and an additional 23 CAs were received (a summary of these parties is included in Schedule “A” hereto). Excluding the Purchaser’s revised offer noted below, offers were received from three parties that did not initially submit a bid by the “offer not before date”. The three offers ranged in purchase price from [REDACTED] to [REDACTED]. The lowest offer was unconditional and two other offers were conditional. As a result of the conditions and/or purchase price, none of the offers were accepted and each of these parties were encouraged to improve their offers. A summary of these offers, plus the Purchaser’s offer noted below, is listed under “Subsequent Offers” in Schedule “B” hereto.
- Throughout the sale process, Colliers continued to negotiate with the Purchaser. The Purchaser submitted an offer on August 27, 2024 that was conditional on obtaining a financing commitment from NHE Capital Corporation (“NHE”). Following further discussion with NHE and Colliers, the Purchaser submitted a revised offer dated November 6th, 2024 that was unconditional and at a purchase price of [REDACTED]. This offer was accepted by the Receiver.

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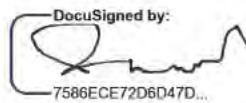
- Prior to the receivership proceedings, the Subject Property had already been marketed to potential investors for nearly one-year. The Subject Property was known to be available for sale on an off-market/un-listed basis as early as June 2023. On March 13th, 2024, the Subject Property was formally listed for sale on MLS by 111 Sherwood Investments Inc. Neither of the previous marketing efforts generated a qualified offer for the property. Through the receivership proceedings, Colliers marketed the Subject Property for a further +/- 5 months. Effectively, the Subject Property was marketed for sale for a cumulative period of +/- 1.5 years during which it was posted on the MLS and repeatedly sent to Colliers' proprietary list of over 800 investors. There is nothing to indicate to Colliers that a longer listing period would generate offers superior to the Purchaser's offer.

Sincerely,

Signed by:

CD8EE36CA35743C...

Victor Cotic
Executive Vice President,
Sales Representative,
National Investment Services

DocuSigned by:

7586ECE72D6D47D...

Jeremiah Shames
Executive Vice President,
Sales Representative,
Private Capital Investment Group

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Schedule A - Confidentiality Agreements (CAs) Received - Prior to "Offer Not Before Date"

#	Company	Individual
█	██████████	██████
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Schedule B – Summary of Offers – Received by Jul. 25th, 2024 (“Offer Not Before Date”)

Purchaser	[REDACTED]	[REDACTED]
Purchase Price	[REDACTED]	[REDACTED]
Purchaser Conditions Period	[REDACTED]	[REDACTED]
Purchaser Conditions	[REDACTED]	[REDACTED]
1st Deposit	[REDACTED]	[REDACTED]
2nd Deposit	[REDACTED]	[REDACTED]
Closing Date	[REDACTED]	[REDACTED]
Offer Form	[REDACTED]	[REDACTED]
Comments	[REDACTED]	[REDACTED]

Purchaser	[REDACTED]	[REDACTED]
Purchase Price	[REDACTED]	[REDACTED]
Purchaser Conditions Period	[REDACTED]	[REDACTED]
Purchaser Conditions	[REDACTED]	[REDACTED]
1st Deposit	[REDACTED]	[REDACTED]
2nd Deposit	[REDACTED]	[REDACTED]
Closing Date	[REDACTED]	[REDACTED]
Offer Form	[REDACTED]	[REDACTED]
Comments	[REDACTED]	[REDACTED]

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Schedule B – Summary of Offers – Subsequent Offers Received after the “Offer Not Before Date”

Purchaser	[REDACTED]	[REDACTED]
Purchase Price	[REDACTED]	[REDACTED]
Purchaser Conditions Period	[REDACTED]	[REDACTED]
Purchaser Conditions	[REDACTED]	[REDACTED]
1st Deposit	[REDACTED]	[REDACTED]
2nd Deposit	[REDACTED]	[REDACTED]
Closing Date	[REDACTED]	[REDACTED]
Offer Form	[REDACTED]	[REDACTED]
Comments	[REDACTED]	[REDACTED]

Purchaser	[REDACTED]	[REDACTED]
Purchase Price	[REDACTED]	[REDACTED]
Purchaser Conditions Period	[REDACTED]	[REDACTED]
Purchaser Conditions	[REDACTED]	[REDACTED]
1st Deposit	[REDACTED]	[REDACTED]
2nd Deposit	[REDACTED]	[REDACTED]
Closing Date	[REDACTED]	[REDACTED]
Offer Form	[REDACTED]	[REDACTED]
Comments	[REDACTED]	[REDACTED]

Appendix “F”

AGREEMENT OF PURCHASE AND SALE

BETWEEN

KSV RESTRUCTURING INC.

in its capacity as court-appointed receiver and manager of all of the assets,
undertakings and properties of 111 Sherwood Investments Inc.
and not in its personal capacity or in any other capacity

- and -

10 JOHN HOLDINGS INC., on behalf of a new corporation to be created.

Dated: November 6, 2024

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 5th day of November, 2024.

BETWEEN:

KSV RESTRUCTURING INC., in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of 111 Sherwood Investments Inc. and not in its personal capacity or in any other capacity

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

- and -

10 JOHN HOLDINGS INC., on behalf of a new corporation to be created.

(the "**Purchaser**")

RECITALS

- A. **WHEREAS** pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on April 19, 2024 (the "**Receivership Order**"), the Receiver was appointed as the court-appointed receiver and manager, without security, of the Purchased Assets;
- B. **AND WHEREAS** pursuant to the Receivership Order, the Receiver was authorized to, among other things, market the Purchased Assets and apply for an order of the Court approving the sale of the Purchased Assets and vesting in and to a purchaser all of 111 Sherwood Investments Inc.'s (the "**Debtor**") right, title and interest in and to the Purchased Assets;
- C. **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;

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, 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 Transaction and conveying to the Purchaser the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, which order shall be in a form substantively similar to the draft order attached as Schedule "B" hereto, with such modifications and amendments to such form as may be approved by the Receiver and the Purchaser, each acting reasonably;

"**Assignable Assets**" has the meaning given in Section 3.1(c);

"**Assumption Agreement**" has the meaning given in Section 15.10;

"**Books and Records**" means the files, documents, instruments, surveys, 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 or will be delivered by the Receiver to the Purchaser at or before Closing; provided, however, that Books and Records shall not include any bank or accounting records;

"**Buildings**" means the buildings constructed on the Lands together with all other improvements to the Lands;

"**Business**" means the business carried on by the Debtor with respect to the development 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 Purchased Assets or the Debtor, and "**Claim**" means any one of them;

"**Closing**" means the successful completion of the Transaction;

"**Closing Date**" means the later of i) the first Business Day which is ten (10) days after the date on which the Approval and Vesting Order is issued by the Court; or ii) March 3, 2025;

"**Consents and Approvals**" means the consents and approvals of all relevant third parties with respect to the Transaction, if any;

"**Contracts**" means all of the contracts, licences, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which the Debtor is a party and which relate to the Business, provided that the Leases shall not be included as Contracts;

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

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

"**Encumbrances**" means all liens, charges, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, Levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise;

"**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; and
- (c) the Contracts;

"**Excluded Liabilities**" has the meaning given in Section 3.3;

"**First Deposit**" has the meaning given in Section 4.2;

"**Governmental Authorities**" 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, including,

without limitation, any municipality in which the Property is located; 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;

"**HST Certificate**" has the meaning given in Section 5.1;

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

"**Lands**" means the real property municipally known as 111 Sherwood Drive, Brantford, Ontario and legally described in Schedule "A" hereto, together with all rights and benefits appurtenant thereto;

"**Leases**" means the retail, office, industrial and flex space leases described in Schedule "D" hereto;

"**Notice**" has the meaning given in Section 15.3;

"**Parties**" means the Receiver and the Purchaser and "**Party**" means either one of them;

"**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 Property;

"**Permitted Encumbrances**" means all those Encumbrances described in Schedule "C" 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;

"**Property**" means, collectively, the Lands and the Buildings;

"**Property Tax Refund**" has the meaning set out in Section 4.8;

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

"**Purchased Assets**" means all the right, title and interest, if any, of the Debtor in and to the following:

- (a) the Property;
- (b) the Leases;
- (c) the full benefit of any and all prepaid expenses or deposits with any Person, public utility or Governmental Authority relating to the Property;
- (d) the Permits, but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees; and

(e) all intellectual property, if any, owned by the Debtor with respect to the Property, provided, however, that the Purchased Assets shall not include the Excluded Assets or the Excluded Liabilities;

"**Purchaser**" has the meaning set out in the recitals;

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

"**Receiver's Solicitors**" means Bennett Jones LLP;

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

"**Remax**" means Remax Escarpment Realty Inc. Brokerage;

"**Rights**" has the meaning given in Section 3.1(c), but only has such meaning in such Section;

"**Second Deposit**" has the meaning given in Section 4.3;

"**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;

"**Third Party**" has the meaning given in Section 3.1(c); and

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

ARTICLE 2 **SCHEDULES**

2.1 Schedules

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

<u>Schedule</u>	<u>Description</u>
Schedule A	Legal Description of the Lands
Schedule B	Form of Approval and Vesting Order
Schedule C	Permitted Encumbrances
Schedule D	List of the Leases

ARTICLE 3
AGREEMENT TO PURCHASE

3.1 Purchase and Sale of Purchased Assets

- (a) 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, the Purchased Assets, free and clear of all Encumbrances, other than the Permitted Encumbrances.
- (b) Subject to the Closing, the Receiver hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, Claims, interests and demands, past or present, whether known or unknown, fixed or contingent or otherwise, whatsoever in the Purchased Assets.
- (c) 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(c), collectively, the "**Rights**") under any Leases, 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 or a Governmental Authority (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:
 - (i) the Receiver will, at the request, direction and sole cost of the Purchaser, acting reasonably, assist the Purchaser, in a timely manner and using commercially reasonable efforts, 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;
 - (ii) the Receiver will only deal with or make use of such Rights in accordance with the directions of the Purchaser;
 - (iii) at the Purchaser's sole cost, the Receiver will use its commercially reasonable 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
 - (iv) 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.

The provisions of this Section 3.1 shall not merge but shall survive the completion of the Transaction. Notwithstanding the forgoing, nothing herein shall prohibit the Receiver, in its sole,

absolute and unfettered discretion, from seeking to be discharged as receiver of the Debtor at any time after Closing. The Parties hereby acknowledge and agree that the covenants of the Receiver contained in this Section 3.1 shall terminate concurrently with the discharge of the Receiver as receiver of the Debtor.

3.2 Excluded Assets

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

3.3 Excluded Liabilities

With the sole exception of the Permitted Encumbrances, 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 or the Receiver 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;
- (b) except as otherwise agreed in this Agreement, any liability, obligation or commitment associated with: (i) the Accounts Payable incurred prior to Closing; or (ii) any employees or contractors 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) except as otherwise agreed in this Agreement, 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 [REDACTED]
[REDACTED] (the "**Purchase Price**").

4.2 First Deposit

Within three (3) Business Days after execution of this Agreement by the Receiver as indicated on the last page of this Agreement, the Purchaser shall pay to the Receiver's Solicitors, in trust, in a non-interest bearing account, a deposit by wire or certified cheque of Five Hundred Thousand Dollars (\$500,000) (the "**First Deposit**") which such First Deposit shall be held in accordance with the provisions of this Agreement pending completion of the Transaction 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.

4.3 Second Deposit

Prior to December 15, 2024, the Purchaser shall pay to the Receiver's Solicitors, in trust, in a non-interest bearing account, a further deposit by wire or certified cheque of Two Hundred Fifty Thousand Dollars (\$250,000) (the "**Second Deposit**") which such Second Deposit shall be held in accordance with the provisions of this Agreement pending completion of the Transaction 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.

4.4 Satisfaction of Purchase Price

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

- (a) the First Deposit and Second Deposit shall be applied against the Purchase Price; and
- (b) the balance of the Purchase Price, subject to adjustments contained in this Agreement, shall be paid by wire or certified cheque on Closing by the Purchaser or the Purchaser's solicitors to the Receiver's Solicitors.

4.5 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 Date, 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 4.5 such that each Party shall be free to make its own reasonable allocation.

4.6 Purchaser's Representative Commission

The Parties hereby agree that Remax Escarpment Realty Inc. Brokerage ("**Remax**") represents the Purchaser and Remax shall be entitled to a commission on closing of two percent (2%) of the Purchase Price, plus HST paid by the Receiver.

4.7 Adjustment of Purchase Price

- (a) The Purchase Price shall be adjusted as of 11:59 p.m. on the day prior to the Closing Date, in a manner and amount to be agreed upon by the Parties, acting reasonably,

for any and all operating costs, property Taxes, current and prepaid rents, leasing commissions, security deposits and utilities, including any interest thereon in each case, 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 by no later than three (3) 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.

- (b) The Parties acknowledge that there will be a \$250,000 credit on closing in favor of the Purchaser in respect of the "Base Rent" concessions set out in the lease amending agreement dated January 30, 2024 between 111 Sherwood Investments Inc. and Celebration Church Brant. The Parties acknowledge there will be no further adjustments in this respect for any leases.
- (c) Other than as provided for in this Section 4.7, Section 4.8 and Section 4.9 there shall be no adjustments to the Purchase Price.

4.8 Property Tax Refunds and Rebates

Any refund or rebate of property Taxes relating to the Property in respect of the period prior to the Closing Date (each a "**Property Tax Refund**") will remain the property of the Receiver. To the extent the Purchaser receives payment or credit on account of any Property Tax Refund, the Purchaser shall hold such amount in trust for the Receiver, endorse such amount (without recourse) in favour of the Receiver and immediately deliver such amounts to the Receiver. Any refund or rebate of property Taxes relating to the Property in respect of the period from and after the Closing Date will be the property of the Purchaser. To the extent the Receiver receives payment of any such amount, the Receiver shall hold such amount in trust for the Purchaser, endorse such payment (without recourse) in favour of the Purchaser and immediately deliver such payments to the Purchaser.

4.9 Leases

The Purchaser acknowledges that it is purchasing the Lands subject to the Leases and the rights of the tenants as set out therein. Any damage/security deposits held by the Receiver on behalf of tenants pursuant to the Leases shall be retained by the Receiver with the amount of such damage/security deposits adjusted as a credit to the Purchaser. Any rental incentives or other tenant inducements pursuant to the Leases which are owing to the tenants and which will be required to be paid by the Purchaser shall be adjusted as at the Closing Date.

ARTICLE 5
TAXES

5.1 Taxes

The Purchaser shall be responsible for all federal and provincial sales taxes, land transfer tax, good 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 save and except municipal property Taxes outstanding or owed at the time of Closing. 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 certificate (the "**HST Certificate**"), at least five (5) Business Days prior to Closing, confirming that the Purchaser (i) is registered under the ETA, including a copy of the required ETA registration; (ii) is buying the Property for its own account and not on behalf of any other Person; (iii) shall self-assess and remit the HST payable and file the prescribed form; and (iv) shall indemnify the Receiver in respect of any HST payable in relation to the Transaction. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

ARTICLE 6
CLOSING ARRANGEMENTS

6.1 Closing

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date. The Parties agree that the Closing shall in all respects follow the usual procedure for closing real estate transactions with title insurance in the Province of Ontario, subject to any requirements imposed by the Court.

6.2 Tender

Any tender of documents or money under this Agreement may be made upon the Parties or their respective solicitors, 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 on or before the Closing Date or on such other date as expressly provided herein:

- (a) a copy of the issued Approval and Vesting Order and the attached Receiver's Certificate;
- (b) a statement of adjustments prepared in accordance with Section 4.67, to be delivered not less than five (5) Business Days prior to the Closing Date;
- (c) to the extent applicable, an assignment and assumption agreement for all Permits, and Consents and Approvals pertaining to the Property (to the extent assignable) relating to the period from and after the Closing Date and, to the extent not

assignable, an agreement that the Receiver will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c);

- (d) an assignment and assumption agreement for the Leases;
- (e) a single notice to all tenants under the Leases advising of the sale and directing the rent to be paid to the Purchaser, or as it shall otherwise direct;
- (f) a certificate from the Receiver, dated as of the Closing Date, certifying that:
 - (i) 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; and
 - (ii) all representations, warranties and covenants of the Receiver contained in this Agreement are true and have been complied with as of the Closing Date, with the same effect as though made on and as of the Closing Date; and
- (g) 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 Governmental Authority.

6.4 Purchaser's Closing Deliverables

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

- (a) the indefeasible payment and satisfaction in full of the Purchase Price in accordance with Section 4.4;
- (b) an assignment and assumption agreement for all Permits, and Consents and Approvals pertaining to the Property (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement that the Receiver will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c);
- (c) an assignment and assumption agreement for the Leases;
- (d) a certificate from the Purchaser, dated as of the Closing Date, certifying that all representations, warranties and covenants of the Purchaser contained in this Agreement are true and have been complied with as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (e) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, the HST Certificate;

- (f) a copy of the title insurance policy obtained by the Purchaser in accordance with Section 6.6; and
- (g) 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 Governmental 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.

6.6 Title Insurance

The Purchaser shall obtain title insurance coverage for the Property with a reputable title insurance provider in order to allow for the unconditional release of the Purchase Price on the Closing Date, notwithstanding that the Approval and Vesting Order may not be registered against title to the Lands as at such date. The Receiver shall use commercially reasonable efforts to assist the Purchaser in obtaining such title insurance coverage. The cost of obtaining any title insurance in connection with the purchase of the Property shall be at the sole cost of the Purchaser.

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:

- (a) 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;
- (b) 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;
- (c) the Purchaser shall have complied with all the terms contained in this Agreement applicable to the Purchaser prior to the Closing Date;
- (d) the Purchaser shall have paid the First Deposit in accordance with Section 4.2 and the Second Deposit in accordance with Section 4.3;
- (e) 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; and

- (f) the Court shall have issued the Approval and Vesting Order.

7.2 Conditions in Favour of Receiver Not Fulfilled

If any of the conditions contained in Section 7.1 are not fulfilled on or prior to the Closing Date, so long as such non-fulfilment was not caused by the Receiver's failure to act in good faith or to use its best efforts to fulfil the aforesaid conditions and cause the Closing to occur, and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Receiver, 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 (other than those obligations which are expressly stated to survive termination of this Agreement), and the First Deposit and the Second Deposit, if applicable, will be forfeited to the Receiver; 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.

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; and
- (e) the Court shall have issued the Approval and Vesting Order.

7.4 Conditions in Favour of Purchaser Not Fulfilled

If any of the conditions contained in Section 7.3 are not fulfilled on or prior to the Closing Date, so long as such non-fulfilment was not caused by the Purchaser's failure to act in good faith or to use its best efforts to fulfil the aforesaid conditions and not caused by the Purchaser's failure to cause the Closing to occur, and any 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 and the Purchaser shall receive their First Deposit and Second Deposit, if applicable, back in full without deduction; 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:

- (a) 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;
- (b) 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 the Purchased Assets; and
- (c) 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:

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

- (b) 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 Governmental 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;
- (c) the Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date;
- (d) 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; and
- (e) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the Transaction, and the Purchaser is not aware of any existing ground on which any such action, suit or proceeding may be commenced with any reasonable likelihood of success.

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 and to consummate the Transaction. Notwithstanding the foregoing, it is acknowledged and agreed that the Receiver shall not seek the Approval and Vesting Order until the Second Deposit is received by the Receiver.

10.2 Receiver Covenants

The Receiver hereby covenants and agrees that, from the date hereof until Closing, it shall use commercially reasonable efforts 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 and to execute all necessary forms related thereto.

10.3 Purchaser Covenants

The Purchaser hereby covenants and agrees that, from the date hereof until Closing, 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, if necessary, the applicable tax elections in accordance with Article 5 and to execute all necessary forms related thereto.

10.4 New Leases

All Leases relating to the Purchased Assets entered into by the Receiver from the date hereof until the Closing Date will be forwarded to the Purchaser for its approval prior to execution, which approval shall not be unreasonably withheld. The Purchaser shall respond in writing to any request by the Receiver for its approval in respect of any new Lease within two (2) Business Days thereof, failing which, the Purchaser shall be automatically deemed to have provided its approval and shall be obligated to assume such new Lease on Closing, together with the remaining Leases. For greater certainty, the Purchased Assets shall include, and the Purchaser shall assume and be bound by on Closing, all Leases, including those entered into in accordance with this Section 10.4.

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 Date, at which time the Purchaser shall take possession of the Purchased Assets where situated and subject to the rights of the tenants pursuant to the Leases. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in this Agreement and 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.

11.2 Examination of Title and Access to the Purchased Assets

- (1) The Purchaser and its agents and representatives may have reasonable access to the Property during normal business hours in the period prior to the Closing Date 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 Property as it deems appropriate. The Purchaser agrees that such tests and inspections shall not include any tests or inspections by any Governmental Authorities 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 Authorities. Such inspection may, if the Receiver so desires, be conducted in the presence of a representative of the Receiver.

- (2) The Purchaser covenants and agrees to repair or pay the costs to repair any damage occasioned during or resulting from the inspection of the Property conducted by the Purchaser or its authorized representatives, as outlined above, and to return the Property to substantially the condition same was 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 Property conducted by the Purchaser or its authorized representatives, as outlined above.

11.3 Risk, Damage and Destruction, and Expropriation

- (a) 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.
- (b) 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 fifteen (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 fifteen (15) calendar days prior to 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 11.3(b), substantial damage or destruction shall be deemed to have occurred if the loss or damage to the Purchased Assets exceeds fifteen percent (15%) of the total Purchase Price (inclusive of the First Deposit and the Second Deposit).
- (c) If, prior to the Closing Date, all or a material part of the Property 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: complete the Transaction 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 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 First Deposit and the Second Deposit, if applicable, shall be returned to the Purchaser forthwith.

ARTICLE 12
AS IS, WHERE IS AND ASSUMPTION OF LIABILITIES

12.1 Condition of the Purchased Assets

The Purchaser acknowledges and agrees that:

- (a) 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;
- (b) 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 will conduct such inspections of the condition and title to the Purchased Assets as it deems appropriate and will satisfy itself with regard to these matters;
- (c) all documents and information provided or made available to it by the Receiver (including, without limitation, its employees, agents and representatives) are for reference only and that the Purchaser has not relied on any such documents and information in entering into this Agreement;
- (d) that 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;
- (e) 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;
- (f) 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; and
- (g) except as otherwise expressly provided for in this Agreement, the Receiver will have no obligations or responsibility to the Purchaser after the Closing Date with respect to any matter relating to the Purchased Assets or the condition thereof.

12.2 Assumption of Liabilities

The Purchaser shall assume, fulfill, perform and be responsible for all liabilities and obligations of any kind relating to the Purchased Assets in respect of the period from and after the Closing Date, including without limitation, all liabilities and obligations under the Leases that are assumed by

the Purchaser under this Agreement, and the Purchaser shall indemnify and save harmless the Receiver and its directors, officers, servants, agents and employees in respect of all Claims which may be brought against or suffered by the Receiver, its directors, officers, servants, agents or employees or which any of them may suffer, sustain, pay or incur as a result of any matter or thing arising out of, or resulting from, attributable to or connected with or relating to the Purchased Assets, including without limitation all liabilities and obligations under the Leases in respect of the period from and after the Closing Date. The covenants and agreements to indemnify made by the Purchaser in this Section 12.2 shall survive Closing and not be subject to any limitation periods.

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 (2) years from the Closing Date, or for any longer period as may be required by Applicable Law or Governmental Authority or as requested by the Receiver. Upon reasonable advance notice, during such two (2) 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:

- (a) upon the mutual written agreement of the Parties;
- (b) pursuant to Section 7.2 by the Receiver;
- (c) pursuant to Section 7.4 by the Purchaser;
- (d) pursuant to Section 11.3;
- (e) by either of the Parties, in writing to the other, if the Approval and Vesting Order is not issued by the Court on or before February 15, 2025; or
- (f) automatically, should Closing have not occurred prior to the discharge of the Receiver as the receiver of the Purchased Assets, unless the Receiver's interest in this Agreement has been assigned prior to (or as part of) the Receiver's discharge.

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 shall be entitled to the return of the First Deposit and the Second Deposit, if applicable, without deduction, which shall be returned to the Purchaser forthwith, and this shall be the Purchaser's sole right and remedy pursuant to this Agreement or at law as a result of the Receiver's breach. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, the First Deposit and the Second Deposit, if applicable, shall be forfeited to the Receiver as liquidated damages and not as a penalty, which the Parties agree such First Deposit and Second Deposit, if applicable, 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 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 the following shall apply:

- (a) the Parties shall be released from all obligations and liabilities hereunder, except those that survive the termination of this Agreement;
- (b) the First Deposit and the Second Deposit, if applicable, shall be returned to the Purchaser forthwith, without deduction; and
- (c) 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 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, Article 8, Article 9, Section 14.2 and Section 14.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of 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.

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 Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5H 1J9

Attention: Noah Goldstein / Jordan Wong
Tel: (416) 932-6207 / (416) 932-6025
Email: ngoldstein@ksvadvisory.com / jwong@ksvadvisory.com

and a copy to the Receiver's Solicitor:

Bennett Jones LLP
3400 One First Canadian Place
Toronto, ON M5X 1A5

Attention: Sean Zweig / John van Gent
Tel: (416) 777-6254 / (416) 777-6522
Email: zweigs@bennettjones.com / vangentj@bennettjones.com

- (b) to the Purchaser:

10 John Holdings Inc., on behalf of a new corporation to be created.

Attention: Ben Ames
Tel: 905-517-6270
Email: benames40@gmail.com

and a copy to the Purchaser's counsel:

Attention: [•]
Tel: [•]
Email: [•]

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 (3rd) 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 (1st) 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 (4th) 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.

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 their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may not assign this Agreement without the Receiver's prior written approval, which approval shall be in the Receiver's sole, absolute and unfettered discretion. Notwithstanding the foregoing, the Purchaser shall only have until the granting of the Approval and Vesting Order to direct that title to the Purchased Assets be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated prior to the Closing Date) provided that (a) such person, entity, joint venture, partnership or corporation shall, in writing, agree, prior to the date of the granting of the Approval and Vesting Order, 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, in which case the Purchaser shall nonetheless not be released from any and all further obligations and liabilities hereunder, and (b) if the Purchaser does not, prior to the granting of the Approval and Vesting Order, direct that title to the Purchased Assets be taken in the name of such person, entity, joint venture, partnership or corporation, then the Purchaser shall continue to be liable hereunder and the Approval and Vesting Order shall vest title to the Purchased Assets in the Purchaser.

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 their respective successors and permitted assigns. 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 Publicity

The Purchaser agrees with the Receiver not to make any public announcement of the Transaction prior to Closing, except for the purpose of obtaining the Approval and Vesting Order or unless the content and timing of such announcement have been agreed upon by both Parties, or unless such announcement is otherwise required by Applicable Law.

15.21 Confidentiality

The Purchaser acknowledges that it has signed, and continues to be bound by, a confidentiality agreement with the Receiver with respect to the Purchased Assets. The Purchaser undertakes and agrees (and agrees to cause its agents, employees and representatives) to keep the existence and terms of this Agreement in strict confidence, except in the course of conveying necessary information to third parties directly involved in the Transaction and except as may be required by law or otherwise mutually agreed upon in writing by the parties.

15.22 Non-Registration

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document providing evidence

of this Agreement against title to the Property. Should the Purchaser be in default of its obligations under this Section 15.22, the Receiver may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Property. The Purchaser irrevocably nominates, constitutes and appoints the Receiver as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property.

15.23 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 6th day of November, 2024.

KSV RESTRUCTURING INC., solely in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of 111 Sherwood Investments Inc. and not in its personal capacity or in any other capacity



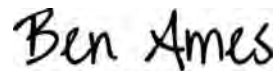
Per: _____

Name: Noah Goldstein

Title: Managing Director

ACCEPTED by the Purchaser as of the date first above written.

10 JOHN HOLDINGS INC., on behalf of a new corporation to be created.



Per: _____

Name: Ben Ames

Title: Authorized Signing Officer

SCHEDULE A
LEGAL DESCRIPTION OF THE LANDS

PIN: 32278-0148 (LT)

FIRSTLY: PART LOTS D, E AND F NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 1 2R8603 SECONDLY: PART LOTS D AND E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 2 2R8603 THIRDLY: PART LOT D NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 3 2R8603 FOURTHLY: PART LOTS E AND F NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 4 2R8603 FIFTHLY: PART LOT F NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 5 2R8603 SIXTHLY: PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 6 AND 7 2R8603; TOGETHER WITH AN EASEMENT OVER PART LOT C NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 8 2R8603 IN FAVOUR OF PARTS 1, 2, 3, 4 AND 7 2R8603 AS IN A145258; TOGETHER WITH AN EASEMENT OVER PART LOT D NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 15 2R8603 IN FAVOUR OF PARTS 1, 2, 3 AND 4 2R8603 AS IN BC107530; TOGETHER WITH AN EASEMENT OVER PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 14 AND 16 2R8603 IN FAVOUR OF PART 7 2R8603 AS IN BC122397; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10, 11, 12, 13 AND 17 2R8603 AS IN BC357075; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10 AND 17 2R8603 AS IN BC357075; SUBJECT TO AN EASEMENT OVER PART 2 2R8603 AS IN A249453; SUBJECT TO AN EASEMENT OVER PART 3 2R8603 AS IN A249454; SUBJECT TO AN EASEMENT OVER PARTS 1, 2, 3, 4, 5, 6 AND 7 2R8603 IN FAVOUR OF PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 6, 8, 9, 11, 12 AND 13 2R8327 AS IN BC357075; SUBJECT TO AN EASEMENT OVER PARTS 4 AND 5 2R8603 IN FAVOUR OF PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 6, 8, 9, 11, 12 AND 13 2R8327 AS IN BC357075; CITY OF BRANTFORD

PIN: 32278-0149 (LT)

PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 4 AND 5 2R8327 AND PART 1 2R8327 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 6 AND 7 2R8603; SUBJECT TO AN EASEMENT AS IN BC357075; SUBJECT TO AN EASEMENT OVER PARTS 4 AND 5 2R8327 AS IN BC107568; TOGETHER WITH AN EASEMENT OVER PART LOT C NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 8 2R8603 IN FAVOUR OF PARTS 1, 2, 3, 4 AND 7 2R8603 AS IN A145258; TOGETHER WITH AN EASEMENT OVER PART LOT D NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY

OF BRANTFORD SEPTEMBER 7, 1892 PART 15 2R8603 IN FAVOUR OF PARTS 1, 2, 3 AND 4 2R8603 AS IN BC107530; TOGETHER WITH AN EASEMENT OVER PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 14 AND 16 2R8603 IN FAVOUR OF PART 7 2R8603 AS IN BC122397; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10, 11, 12, 13 AND 17 2R8603 AS IN BC357075; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10 AND 17 2R8603 AS IN BC357075; CITY OF BRANTFORD

**SCHEDULE B
APPROVAL AND VESTING ORDER**

Court File No. CV-23-00699908-00CL

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

THE HONOURABLE) [●], THE [●]
JUSTICE [●]) DAY OF [●], 2024

**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**

B E T W E E N :

NHE CAPITAL CORP.

Applicant

- and -

111 SHERWOOD INVESTMENTS INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of 111 Sherwood Investments Inc. (the "**Company**") for an order, inter alia, approving the sale transaction (the "**Transaction**") with respect to all of the lands and premises municipally described as 111 Sherwood Drive, Brantford, Ontario contemplated by an agreement of purchase and sale between the Receiver, as vendor, and [●] (the "**Purchaser**"), as purchaser, dated [●], 2024 (as amended, the "**Sale Agreement**"), a copy of which is attached as Appendix "[●]" to the [●] Report of the Receiver dated [●], 2024 (the "**[●] Report**"), and vesting in the Purchaser, all of the

Company's right, title and interest in and to the property described in the Sale Agreement (the "**Purchased Assets**"), was heard this day via videoconference.

ON READING the [●] 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 [●]sworn and filed,

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the Sale Agreement or the [●] Report, as applicable.

APPROVAL AND VESTING

3. **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.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Company's right, title and interest in and to the Purchased Assets, including without limitation the subject real property identified in **Schedule "B"** hereto (the "**Real Property**"), shall vest absolutely in the Purchaser 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, 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 Receivership Order of the Honorable Osborne dated April 19, 2024; (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.

5. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Brant (No. 2) 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 as the owner of the Real Property in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

6. **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.

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

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

- i. the pendency of these proceedings;
- ii. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
- iii. any assignment in bankruptcy made in respect of the Company,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or

voidable by creditors of the Company, 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.

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

GENERAL

10. **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-23-00699908-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE COMMERCIAL LIST**

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

B E T W E E N :

NHE CAPITAL CORP.

Applicant

- and -

111 SHERWOOD INVESTMENTS INC.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

I. Pursuant to an Order of the Honourable Mr. Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated April 19, 2024 (the "**Receivership Order**"), KSV Restructuring Inc. was appointed as receiver and manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of 111 Sherwood Investments Inc. (the "**Company**").

II. Pursuant to an Order of the Court dated [●], 2024, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and [●] (the "**Purchaser**"), as purchaser, dated [●], 2024 (as amended, the "**Sale Agreement**"), and provided for the vesting in the Purchaser of

all the Company's right, title and interest in and to the property described in the Sale Agreement (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Receiver.

III. 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 in accordance with their terms;
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 RESTRUCTURING INC., solely in its capacity as court-appointed receiver of the Company, and not in its personal capacity or in any other capacity

Per: _____
Name:
Title:

SCHEDULE "B"

LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN: 32278-0148 (LT)

FIRSTLY: PART LOTS D, E AND F NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 1 2R8603 SECONDLY: PART LOTS D AND E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 2 2R8603 THIRDLY: PART LOT D NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 3 2R8603 FOURTHLY: PART LOTS E AND F NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 4 2R8603 FIFTHLY: PART LOT F NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 5 2R8603 SIXTHLY: PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 6 AND 7 2R8603; TOGETHER WITH AN EASEMENT OVER PART LOT C NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 8 2R8603 IN FAVOUR OF PARTS 1, 2, 3, 4 AND 7 2R8603 AS IN A145258; TOGETHER WITH AN EASEMENT OVER PART LOT D NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 15 2R8603 IN FAVOUR OF PARTS 1, 2, 3 AND 4 2R8603 AS IN BC107530; TOGETHER WITH AN EASEMENT OVER PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 14 AND 16 2R8603 IN FAVOUR OF PART 7 2R8603 AS IN BC122397; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10, 11, 12, 13 AND 17 2R8603 AS IN BC357075; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10 AND 17 2R8603 AS IN BC357075; SUBJECT TO AN EASEMENT OVER PART 2 2R8603 AS IN A249453; SUBJECT TO AN EASEMENT OVER PART 3 2R8603 AS IN A249454; SUBJECT TO AN EASEMENT OVER PARTS 1, 2, 3, 4, 5, 6 AND 7 2R8603 IN FAVOUR OF PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 6, 8, 9, 11, 12 AND 13 2R8327 AS IN BC357075; SUBJECT TO AN EASEMENT OVER PARTS 4 AND 5 2R8603 IN FAVOUR OF PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 6, 8, 9, 11, 12 AND 13 2R8327 AS IN BC357075; CITY OF BRANTFORD

PIN: 32278-0149 (LT)

PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 4 AND 5 2R8327 AND PART 1 2R8327 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 6 AND 7 2R8603; SUBJECT TO AN EASEMENT AS IN BC357075; SUBJECT TO AN EASEMENT OVER PARTS 4 AND 5 2R8327 AS IN BC107568;

TOGETHER WITH AN EASEMENT OVER PART LOT C NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 8 2R8603 IN FAVOUR OF PARTS 1, 2, 3, 4 AND 7 2R8603 AS IN A145258; TOGETHER WITH AN EASEMENT OVER PART LOT D NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PART 15 2R8603 IN FAVOUR OF PARTS 1, 2, 3 AND 4 2R8603 AS IN BC107530; TOGETHER WITH AN EASEMENT OVER PART LOT E NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 14 AND 16 2R8603 IN FAVOUR OF PART 7 2R8603 AS IN BC122397; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10, 11, 12, 13 AND 17 2R8603 AS IN BC357075; TOGETHER WITH AN EASEMENT OVER PART LOTS E, F AND G NORTH OR WEST OF SHERWOOD DRIVE PLAN CITY OF BRANTFORD SEPTEMBER 7, 1892 PARTS 9, 10 AND 17 2R8603 AS IN BC357075; CITY OF BRANTFORD

SCHEDULE "C"

INSTRUMENTS TO BE DELETED

Reg. No.	Date	Instrument Type	Instrument Holder
BC426524	2022/03/24	MORTGAGE	NHE CAPITAL CORP.
BC426525	2022/03/24	ASSIGNMENT OF RENTS AND LEASES	NHE CAPITAL CORP.
BC442348	2022/10/19	MORTGAGE	OLYMPIA TRUST COMPANY
BC471555	2024/04/18	MORTGAGE	REIF FINANCIAL INVESTMENTS INC., FORTUNAFI ASSET MANAGEMENT LLC, YUVAL BAVLY, BENJAMIN AMES AND ALISON AMES
BC471757	2024/04/22	RECEIVERSHIP ORDER	KSV RESTRUCTURING INC.

SCHEDULE "D"

PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS RELATED TO THE REAL PROPERTY

PIN: 32278-0148 (LT)

1. Instrument No. A249453 registered February 6, 1981 being a Transfer Easement in favour of Union Gas Limited;
2. Instrument No. A249454 registered February 6, 1981 being a Transfer Easement in favour of Union Gas Limited;
3. Instrument No. BC314388 registered April 13, 2013 being a Notice of Lease from Brantcord Leasing Ltd. to Solar Power Network 006 Inc. and SPN LP 10;
4. Instrument No. BC357075 registered April 25, 2019 being a Transfer from Brantcord Leasing Ltd. to Brantcord Leasing Ltd.;
5. Instrument No. BC359173 registered May 31, 2019 being a Transfer from Brantcord Leasing Ltd. to 111 Sherwood Investments Inc.;
6. Instrument No. BC359174 registered May 31, 2019 being a Notice in favour of West Brant Centre Inc.;
7. Instrument No. BC361775 registered July 16, 2019 being a Notice of Charge of Lease granted by Solar Power Network 006 Inc. and SPN LP 10 in favour of Deutsche Bank Trust Company Americas;
8. Instrument No. 2R8603 registered June 30, 2021 being a Plan Reference;
9. Instrument No. BC406381 registered June 30, 2021 being an Application for Absolute title;
10. Instrument No. BC450820 registered April 3, 2023 being a Notice of Lease from 111 Sherwood Investments Inc. to Celebration Church Brant; and
11. Instrument No. BC470695 registered March 28, 2024 being a Land Registrar's Order.

PIN: 32278-0149 (LT)

1. Instrument No. BC107568 registered March 21, 2007 being a Transfer Easement in favour of The Cordage Lofts Inc.;
2. Instrument No. BC314388 registered April 13, 2013 being a Notice of Lease from Brantcord Leasing Ltd. to Solar Power Network 006 Inc. and SPN LP 10;
3. Instrument No. 2R8327 registered January 31, 2019 being a Plan Reference;

4. Instrument No. BC357075 registered April 25, 2019 being a Transfer from Brantcord Leasing Ltd. to Brantcord Leasing Ltd.;
5. Instrument No. BC359173 registered May 31, 2019 being a Transfer from Brantcord Leasing Ltd. to 111 Sherwood Investments Inc.;
6. Instrument No. BC359174 registered May 31, 2019 being a Notice in favour of West Brant Centre Inc.;
7. Instrument No. BC361775 registered July 16, 2019 being a Notice of Charge of Lease granted by Solar Power Network 006 Inc. and SPN LP 10 in favour of Deutsche Bank Trust Company Americas;
8. Instrument No. BC450820 registered April 3, 2023 being a Notice of Lease from 111 Sherwood Investments Inc. to Celebration Church Brant;
9. Instrument No. BC465522 registered December 8, 2023 being an Application to Register a Governmental Order pertaining to an Order to Comply by The Corporation of the City of Brantford;
10. Instrument No. BC470695 registered March 28, 2024 being a Land Registrar's Order; and
11. Instrument No. BC470757 registered April 2, 2024 being an Application General pertaining to a Certificate of Compliance in connection with Instrument No. BC465522.

SCHEDULE C
PERMITTED ENCUMBRANCES

PART I: GENERAL PERMITTED ENCUMBRANCES

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown;
2. Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;
3. all rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Property in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of any Governmental Authority;
4. rights of expropriation, access or use or any similar right conferred or reserved by or in any statute of Ontario or Canada;
5. applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing or industrial agreements, utility agreements, airport zoning regulations, cost sharing reciprocal agreements and building and other zoning restrictions and other similar agreements with Governmental Authorities or private or public utilities affecting the development or use of the Property;
6. any easements, servitudes, rights-of-way, licenses, agreements, restrictions that run with the land or other Encumbrances (including easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables) which do not materially impair the use, operation or marketability of the Property (based on the current use of the Property) affected thereby;
7. Encumbrances respecting minor encroachments by the Property over neighbouring lands or permitted under agreements with the owners of such other lands and minor encroachments over the Property by improvements of abutting land owners, provided the same do not materially adversely affect the use or marketability of the Property;
8. any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under contracts of the Receiver or the Debtor so long as the payment or the performance of such other obligation or act is not delinquent and provided that such privileges do not materially affect the use or the operation of the assets affected thereby;
9. Encumbrances which will be vested out or otherwise discharged at Closing pursuant to the Approval and Vesting Order;

10. Encumbrances permitted or created pursuant to the terms of this Agreement or which are otherwise expressly approved by the Purchaser in writing; and
11. the Leases.

PART II: SPECIFIC PERMITTED ENCUMBRANCES

PIN: 32278-0148 (LT)

1. Instrument No. A249453 registered February 6, 1981 being a Transfer Easement in favour of Union Gas Limited;
2. Instrument No. A249454 registered February 6, 1981 being a Transfer Easement in favour of Union Gas Limited;
3. Instrument No. BC314388 registered April 13, 2013 being a Notice of Lease from Brantcord Leasing Ltd. to Solar Power Network 006 Inc. and SPN LP 10;
4. Instrument No. BC357075 registered April 25, 2019 being a Transfer from Brantcord Leasing Ltd. to Brantcord Leasing Ltd.;
5. Instrument No. BC359174 registered May 31, 2019 being a Notice in favour of West Brant Centre Inc.
6. Instrument No. BC361775 registered July 16, 2019 being a Notice of Charge of Lease granted by Solar Power Network 006 Inc. and SPN LP 10 in favour of Deutsche Bank Trust Company Americas;
7. Instrument No. BC406381 registered June 30, 2021 being an Application for Absolute title; and
8. Instrument No. BC450820 registered April 3, 2023 being a Notice of Lease from 111 Sherwood Investments Inc. to Celebration Church Brant.

PIN: 32278-0149 (LT)

1. Instrument No. BC107568 registered March 21, 2007 being a Transfer Easement in favour of The Cordage Lofts Inc.;
2. Instrument No. BC314388 registered April 13, 2013 being a Notice of Lease from Brantcord Leasing Ltd. to Solar Power Network 006 Inc. and SPN LP 10;
3. Instrument No. BC357075 registered April 25, 2019 being a Transfer from Brantcord Leasing Ltd. to Brantcord Leasing Ltd.;

4. Instrument No. BC359174 registered May 31, 2019 being a Notice in favour of West Brant Centre Inc.
5. Instrument No. BC361775 registered July 16, 2019 being a Notice of Charge of Lease granted by Solar Power Network 006 Inc. and SPN LP 10 in favour of Deutsche Bank Trust Company Americas;
6. Instrument No. BC450820 registered April 3, 2023 being a Notice of Lease from 111 Sherwood Investments Inc. to Celebration Church Brant;
7. Instrument No. BC465522 registered December 8, 2023 being an Application to Register a Governmental Order pertaining to an Order to Comply by The Corporation of the City of Brantford; and
8. Instrument No. BC470757 registered April 2, 2024 being an Application General pertaining to a Certificate of Compliance in connection with Instrument No. BC465522.

**SCHEDULE D
LIST OF LEASES**

Building A

1. Lease between 111 Sherwood Investments Inc. and Mon Bijou Bride ULC dated April 4, 2022 and first lease amending agreement between 111 Sherwood Investments Inc. and Mon Bijou Bride ULC dated February 12, 2024.
2. Lease between 111 Sherwood Investments Inc. and RBO Enterprise Inc. dated August 23, 2023.
3. Lease between 111 Sherwood Investments Inc. and Brantford Potters' Guild dated May 26, 2021.
4. Lease between 111 Sherwood Investments Inc. and Sassy Britches Brewing Co. Ltd dated December 30, 2023.
5. Lease between 111 Sherwood Investments Inc. and Hamer Durst Inc. (o/a Durst Crossfit) dated February 23, 2021.
6. Lease between 111 Sherwood Investments Inc. and Celebration Church Brant dated June 30, 2022; lease amending agreement between 111 Sherwood Investments Inc. and Celebration Church Brant dated March 14, 2023; and lease amending agreement between 111 Sherwood Investments Inc. and Celebration Church Brant dated January 30, 2024.
7. Lease between 111 Sherwood Investments Inc. and 2580417 Ontario Inc. dated June 21, 2021; amendment to lease between 111 Sherwood Investments Inc. and 2580417 Ontario Inc. dated September 8, 2021; and amendment to lease agreement between 111 Sherwood Investments Inc. and 2580417 Ontario Inc. dated Feb 4, 2022.
8. Lease between 111 Sherwood Investments Inc. and Stephanie Bennett O/A Functional Patterns Brantford dated June 19, 2020 and amendment to lease agreement between Stephanie Bennett O/A Functional Patterns Brantford dated August 8, 2022.

Building C

1. Lease between 111 Sherwood Investments Inc. and Victoria Campbell dba I'm Perfect dated April 14, 2021.

Building D

1. Lease between 111 Sherwood Investments Inc. and Brandon Morrison dba Back In Time dated July 9, 2020.

2. Lease between 111 Sherwood Investments Inc. and Affix Label & Print Inc dated February 3, 2022.
3. Lease between 111 Sherwood Investments Inc. and Mistys Kitchens Inc. dated February 24, 2023.
4. Lease between 111 Sherwood Investments Inc. and Shawna Beth Sherk o/a One Stop Homestaging dated July 13, 2021; amendment to lease between 111 Sherwood Investments Inc. and Shawna Beth Sherk o/a One Stop Homestaging dated July 10, 2023 and lease extension agreement between the Receiver and Shawna Beth Sherk o/a One Stop Homestaging dated July 10, 2024.
5. Lease between 111 Sherwood Investments Inc. and G&L Braided Rope Inc. dated July 7, 2023 and lease extension agreement between the Receiver and G&L Braided Rope Inc. dated July 12, 2024.
6. Lease between 111 Sherwood Investments Inc. and The Rope Factory Inc. dba Spool Gourmet Poutine & Mac 'N' Cheese dated April 8, 2021.
7. Lease between 111 Sherwood Investments Inc. and Laura Hudson dba Elle Hudson Photography February 16, 2022.
8. Short term lease between 111 Sherwood Investments Inc. and PTP Services dated November 21, 2023.
9. Lease between 111 Sherwood Investments Inc. and Professional Technical Packaging Services Inc. dated June 19, 2023 and the lease extension agreement between the Receiver and Professional Technical Packaging Services Inc. dated October 23, 2024.
10. Lease between 111 Sherwood Investments Inc. and Gamerz Galaxy Ltd. dated February 5, 2024.
11. Lease between 111 Sherwood Investments Inc. and The Rope Factory Inc. dated August 7, 2023.
12. Lease between 111 Sherwood Investments Inc. and Grand River Patterns Inc. dated July 15, 2020.
13. Lease between 111 Sherwood Investments Inc. and 2701400 Ontario Inc. dated November 21, 2019 and lease extension agreement between the Receiver and 2701400 Ontario Inc. dated October 30, 2024.
14. Lease between 111 Sherwood Investments Inc. and Community Resource & Employment Service (Brantford) dated December 29, 2020 and amendment to lease between 111

Sherwood Investments Inc. and Community Resource & Employment Service (Brantford) dated March 5, 2024.

15. Lease between 111 Sherwood Investments Inc. and 2870209 Ontario Inc. dated July 28, 2022.
16. Lease between 111 Sherwood Investments Inc. and Apotex Pharmachem Inc. dated November 20, 2019; amendment to lease between 111 Sherwood Investments Inc. and Apotex Pharmachem Inc. dated November 20, 2019; and lease renewal agreement between the Receiver and Apotex Pharmachem Inc. dated October 4, 2024.
17. Lease between 111 Sherwood Investments Inc. and 2628047 Ontario Inc. o/a McLellan Group Contracting dated November 15, 2019.

Other

1. Offer to lease between Brantford Leasing Ltd. and Solar Power Network Inc. dated August 2, 2012.

Appendix “G”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

IN THE MATTER OF THE RECEIVERSHIP OF 111 SHERWOOD INVESTMENTS INC.

B E T W E E N :

NHE CAPITAL CORP.

Applicant

- and -

111 SHERWOOD INVESTMENTS INC.

Respondent

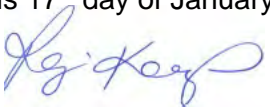
**AFFIDAVIT OF NOAH GOLDSTEIN
(sworn January 17, 2025)**

I, **NOAH GOLDSTEIN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Managing Director of KSV Restructuring Inc. ("KSV").
2. Pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) made on April 19, 2024, KSV was appointed as the receiver and manager (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of 111 Sherwood Investments Inc., including, without limitation, the lands and premises legally described in Schedule "A" of the Receivership Order, and all proceeds thereof.
3. I have managed this mandate since the date of the Receivership Order. As such, I have knowledge of the matters to which I hereinafter depose.
4. The Receiver prepared invoices detailing its services rendered and disbursements incurred (the "**Invoices**") from April 17, 2024 to December 31, 2024 in the aggregate amount of \$219,642.00. Attached hereto and marked as **Exhibit "A"** to this Affidavit are copies of the Invoices.
5. Additionally, attached hereto as **Exhibit "B"** is a summary of the roles, hours and rates charged by members of the Receiver who have worked on this matter, and I hereby confirm that the list represents an accurate account of such information. The average hourly rate of the Receiver is \$523.08.
6. I consider the accounts to be fair and reasonable considering the circumstances connected with this matter.

7. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of the Receiver and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of)
Toronto, in the Province of Ontario,)
this 17th day of January, 2025)
)
)
)



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027



NOAH GOLDSTEIN

This is Exhibit "A" referred to in the
Affidavit of Noah Goldstein sworn before
me, this 17th day of January, 2025



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027



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INVOICE

111 Sherwood Investments Inc.
c/o KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

September 4, 2024

Invoice No: 3868
HST #: 818808768RT0001

Re: 111 Sherwood Investments Inc. (the "Company")

For professional services rendered for the period ending July 31, 2024 by KSV Restructuring Inc. ("**KSV**") in its capacity as receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of the Company including the real property located at 111 Sherwood Drive, Brantford, Ontario (the "**Real Property**"), including:

General

- Corresponding with Bennett Jones LLP ("**Bennett Jones**"), the Receiver's counsel, regarding all aspects of this mandate including the sale process (the "**Sale Process**") for the Real Property;
- Corresponding extensively with NHE Capital Corp. ("**NHE**"), the Company's senior secured creditor and Golden Horseshoe Capital Inc. ("**Golden Horseshoe**"), the mortgage administrator of the Company's second mortgage with Olympia Trust Company ("**Olympia**"), the Company's subordinate secured creditor, and attending numerous calls with NHE and Golden Horseshoe in respect of ongoing maintenance of the Real Property, the Sale Process, operational matters and offers received in the Sale Process;
- Requesting information from the Company and reviewing same including:
 - a list of the Company's creditors;
 - copies of all tenant leases and the rent roll;
 - environmental reports;
 - property condition assessments;
 - engineering reports;
 - property tax bills;

- surveys, information regarding easements and photos of the Real Property;
- utilities bills; and
- the insurance policy;

Court Matters

- Reviewing the receivership application materials (the “**Receivership Application Materials**”), including;
 - the Application Record dated May 24, 2023;
 - NHE’s Aide Memoire dated May 30, 2023;
 - the Supplementary Application Record dated April 15, 2024;
 - the Affidavit of Ely Rechtsman sworn April 15, 2024;
 - the Factum of the Applicant dated April 17, 2024; and
 - the draft Receivership Order;
- Corresponding with Bennett Jones and NHE regarding the Receivership Application Materials;
- Attending the virtual court hearing on April 19, 2024 regarding the appointment of the Receiver;
- Reviewing the receivership order and endorsement issued by the Court on April 19, 2024;
- Preparing the Receiver’s First Report to Court (“**First Report**”) dated May 28, 2024 regarding the approval of the Sale Process and the retention of Colliers Macaulay Nicolls Inc. (“**Colliers**”) as listing agent for the Real Property;
- Corresponding with Bennett Jones regarding its comments on the First Report;
- Reviewing and commenting on the Receiver’s motion materials for the approval of the Sale Process (the “**Sale Process Motion Materials**”), including;
 - the Motion Record of the Receiver dated May 28, 2024;
 - the Factum of the Receiver dated May 29, 2024; and
 - the draft Sale Process Approval Order;
- Corresponding extensively with Bennett Jones regarding the Sale Process Motion Materials;
- Attending the virtual court hearing on June 3, 2024;
- Reviewing the court’s Sale Process Approval Order and Endorsement dated June 3, 2024;

Operational Matters

- Opening a receivership bank account;
- Arranging for Tert & Ross Ltd. ("**Tert & Ross**"), a third-party contractor, to conduct a site visit, take photos and speak to tenants at the start of the receivership proceedings;
- Reviewing a report prepared by Tert & Ross regarding the status of the Real Property and list of tenants;
- Preparing a letter to tenants dated April 28, 2024 with instructions regarding rent payment during the receivership proceedings and corresponding with Bennett Jones regarding same;
- Corresponding with the Company regarding Payquad Solutions ("**Payquad**") and the use of Payquad's property management platform to collect rent;
- Corresponding with Markland Property Management Inc. ("**Markland**") regarding providing property management services for the Real Property;
- Reviewing and commenting on a property management agreement between Markland and the Receiver dated May 2, 2024 (the "**PM Agreement**") and corresponding with Markland regarding same;
- Corresponding extensively with Markland regarding numerous property management matters including dealing with ongoing maintenance and repairs, rent collection, tenant correspondence and ongoing financial reporting;
- Reviewing information on the Payquad platform to review the collection of monthly rent and other tenant matters;
- Corresponding with the Bank of Nova Scotia ("**BNS**"), the Company's banking provider, to restrict withdrawals on the bank account and arrange for ongoing transfers of rent collections to the Receiver's bank account;
- Reviewing Markland's monthly reporting;
- Corresponding with Markland regarding the collection of delinquent rent and the payment of ongoing receivership expenses;
- Preparing a letter to tenants providing an update on the receivership proceedings and instructions for paying monthly rent;
- Corresponding with Payquad Solutions regarding the Receiver's ongoing use of the property management platform used to collect rent and to gain access to the Company's Payquad account in order to track monthly rent collections;
- Corresponding with the Company's utility companies to continue such services during the receivership;

Tenant Matters

- Reviewing tenant leases and discussing certain leases with Markland, Bennett Jones, Colliers, NHE and Golden Horseshoe;
- Addressing inquiries and concerns raised by certain tenants;
- Dealing with occupancy matters with respect to certain tenants;
- Arranging lease extensions with certain tenants and corresponding with Colliers, Markland and NHE regarding same;
- Reviewing and commenting on Bennett Jones' letter dated July 2, 2024 to Mand Rai Lawyers LLP ("**Mand Rai**"), counsel to a tenant, in response to a letter from Mand Rai to the Company;

Sale Process

- Corresponding with two parties that submitted offers to purchase the Real Property at the commencement of the receivership proceedings and attending a call with one party on April 22, 2024;
- Soliciting proposals from two commercial real estate brokerage firms (the "**Realtors**"), including Colliers, to list the Real Property for sale;
- Facilitating responses to the Realtors' due diligence requests and facilitating access to the Real Property with Markland;
- Providing the Realtors with access to information regarding the Real Property upon receipt of a signed confidentiality agreement;
- Reviewing and summarizing the Realtors' proposals and corresponding with NHE regarding same;
- Selecting Colliers as the listing agent and preparing a listing agreement between the Receiver and Colliers and corresponding with Bennett Jones regarding same;
- Reviewing and commenting on drafts of the listing agreement with Colliers;
- Reviewing and commenting on marketing materials prepared by Colliers, including a brochure and confidential information memorandum;
- Corresponding with Colliers to develop the Sale Process, including calls on May 22, 23 and 28, 2024 and June 4 and 5, 2024;
- Reviewing a virtual data room (the "**VDR**") prepared by Colliers containing all relevant information regarding the Real Property;
- Corresponding with NHE and Golden Horseshoe regarding the Sale Process and the information in the VDR;
- Corresponding with Colliers, NHE and Golden Horseshoe regarding Sale Process updates including attending update calls on June 17, 24 and July 2, 10 and 17, 2024;
- Reviewing Colliers' weekly Sale Process reporting;

- Attending a call on June 13, 2024 with Bennett Jones and Vitulli Law Group, counsel to a prospective purchaser, regarding the Sale Process;
- Reviewing offers submitted and corresponding with Bennett Jones, Colliers, NHE and Golden Horseshoe regarding same;
- Attending calls with Colliers, NHE and/or Olympia regarding offers on July 26, 29 and 30, 2024;

Third-Party Reporting

- Reviewing the Company's historical environmental reports prepared by Peritus Environmental Consultants Inc. ("**Peritus**") and the Company's historical building condition assessment reports prepared by Edison Engineers Inc. ("**Edison**");
- Corresponding with Peritus and Edison regarding their respective historical reports and corresponding with Colliers and NHE regarding same;
- Corresponding with Terrapex Environmental Ltd. regarding conducting an environmental site assessment and attending calls on May 29 and June 5, 2024 regarding same;
- Arranging calls with Peritus, Colliers and/or NHE on June 4, 11 and 18, 2024 to discuss preparing an environmental site assessment phase two update and letter summarizing potential environmental risk management measures for the Real Property (the "**Peritus Reports**");
- Corresponding with Peritus regarding its site visit and corresponding with Markland to provide access to the Real Property;
- Reviewing the draft Peritus Reports and corresponding with Peritus regarding same;
- Attending a call on July 10, 2024 with Peritus, Colliers and NHE regarding the Peritus Reports;
- Arranging calls with EXP Services Inc. ("**EXP**"), an engineering firm, regarding conducting a site visit to assess the quality of the roof;
- Reviewing and commenting on EXP's proposals to complete a roofing condition assessment report and building condition assessment report (together, the "**EXP Reports**") including attending calls on June 4, 17 and 26, 2024;
- Corresponding with EXP regarding its site visits and corresponding with Markland to provide access to the Real Property;
- Reviewing the draft EXP Reports and corresponding with EXP regarding same including attending calls on July 8, 15, 16, 18 and 19, 2024;
- Corresponding with Colliers and NHE regarding the EXP Reports and uploading same to the VDR;

Severance Application

- Corresponding with Bennett Jones regarding information provided by counsel to West Brant Centre Inc. (“**West Brant**”), the owner of the neighboring property located at 125 Sherwood Drive, Brantford (the “**125 Sherwood Property**”), regarding an application for severance approval to the City of Brantford in respect of a portion of the Real Property (the “**Severance Application**”) which was intended to be submitted concurrently with West Brant’s application for severance approval for a portion of the 125 Sherwood Property;
- Reviewing information relating to the proposed severance including historical conditional severance approvals by the City of Brantford;
- Attending numerous calls on June 19 and July 3, 4 and 31, 2024, with West Brant and/or Corbett Land Strategies Inc. (“**Corbett**”), the urban planner retained by West Brant, regarding the Severance Application;
- Completing the Severance Application and corresponding with Bennett Jones, Colliers, NHE and Golden Horseshoe regarding same;

Creditors

- Attending bi-weekly update calls with NHE;
- Attending periodic update calls with Golden Horseshoe;
- Reviewing Bennett Jones’ opinion regarding the validity and enforceability of the security granted by the Company to NHE;
- Corresponding with Stikeman Elliot LLP (“**Stikeman**”), counsel to REIF Financial Investments Inc., FortunaFi Asset Management LLC, Benjamin Ames, Yuval Bavly and Alison Ames (collectively “**REIF**”), which registered a charge against the Real Property;
- Attending a call on May 6, 2024 with Bennett Jones and Stikeman to discuss REIF’s charge;
- Reviewing minutes of settlement between the Company, REIF and several other parties dated December 20, 2023;
- Responding to emails and calls from creditors;

Other

- Reviewing title searches;
- Corresponding with Canada Revenue Agency regarding the Company’s HST accounts and discussing the same with the Company;
- Corresponding with the Company’s insurance broker regarding the existing insurance policy and arranging a renewal of the insurance policy;
- Maintaining the service list in these proceedings on the Receiver’s website;
- Preparing Notices and Statements of the Receiver for the Company pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;

- Arranging payment of expenses incurred during the receivership proceedings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$	152,324.83
HST		<u>19,802.23</u>
Total due	\$	<u><u>172,127.06</u></u>

KSV Restructuring Inc.
111 Sherwood Investments Inc.
Time Summary
For the Period Ending July 31, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	750	49.25	36,937.50
Jordan Wong	550	150.00	82,500.00
Ben Luder	450	63.85	28,732.50
Other staff and administration		17.65	3,608
Total fees		280.75	151,777.50
Out-of-pocket disbursements			547.33
Total fees and disbursements			<u>152,324.83</u>



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INVOICE

111 Sherwood Investments Inc.
c/o KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto ON M5J 2W4

October 11, 2024

Invoice No: 3968
HST #: 818808768RT0001

Re: 111 Sherwood Investments Inc. (the "Company")

For professional services rendered for the period August 1 to September 30, 2024 by KSV Restructuring Inc. ("**KSV**") in its capacity as receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of the Company including the real property located at 111 Sherwood Drive, Brantford, Ontario (the "**Real Property**"), including:

General

- Corresponding with Bennett Jones LLP ("**Bennett Jones**"), the Receiver's counsel, regarding these proceedings generally including the sale process for the Real Property (the "**Sale Process**");
- Corresponding extensively with NHE Capital Corp. ("**NHE**"), the Company's senior secured creditor, and attending numerous calls with NHE in respect of ongoing maintenance of the Real Property, the Sale Process, operational matters and offers received in the Sale Process;
- Corresponding with and attending calls with Golden Horseshoe Capital Inc. ("**Golden Horseshoe**"), the mortgage administrator of the Company's second mortgage with Olympia Trust Company, the Company's subordinate secured creditor regarding the Sale Process;

Operational Matters

- Corresponding extensively with Markland Property Management Inc. ("**Markland**"), the property manager, regarding numerous matters including dealing with ongoing maintenance and repairs, rent collection, tenant correspondence and ongoing financial reporting and attending numerous calls in respect of same;
- Reviewing information on the Company's online rental platform to review the collection of monthly rent;
- Corresponding with the Bank of Nova Scotia, the Company's banking provider, to arrange for ongoing transfers of rent collections to the Receiver's bank account;

- Reviewing Markland's monthly reporting;
- Corresponding with Markland regarding the collection of arrears and the payment of ongoing receivership expenses;
- Corresponding with Markland regarding occupancy matters with certain tenants;
- Corresponding with certain tenants regarding collection of arrears;
- Attending calls on September 17 and 30, 2024 with a tenant regarding the extension of the lease agreement (the "**Extension**");
- Finalizing the Extension and corresponding with Bennett Jones, NHE and Markland regarding same;
- Attending a call on September 25, 2024 with Markland and NHE regarding property management and tenant leasing;

Sale Process

- Corresponding extensively with Colliers Macaulay Nicolls Inc. ("**Colliers**"), the Receiver's listing agent for the Real Property, regarding Sale Process updates;
- Corresponding with Colliers and/or NHE regarding Sale Process updates and offers including attending calls on August 6, 7, 8, 13, 14, 15, 16, 20, 22, 28 and September 5, 11, 18, 23, 26 and 30, 2024;
- Attending calls on August 6, 8, 14, 20 and September 10, 2024 with Golden Horseshoe regarding updates on the Sale Process;
- Attending a call on August 21, 2024 with Bennett Jones regarding the Sale Process and next steps with respect to offers;
- Corresponding with several potential purchasers including attending a call on September 17, 2024;
- Reviewing an offer submitted on August 27, 2024 (the "**August 27 Offer**") by a prospective purchaser and corresponding with Bennett Jones, Colliers and NHE regarding same;
- Commenting and making suggested revisions to the August 27 Offer;
- Attending numerous calls with Colliers and NHE included in the aforementioned dates;
- Reviewing other offers submitted in September 2024 and corresponding with Colliers and NHE regarding same;
- Preparing a several analyses (the "**Analyses**") regarding the impact to creditors based on potential purchase prices and providing same to NHE;
- Corresponding with NHE regarding the Analyses including attending a call on August 8, 2024 regarding same;

Severance Application

- Corresponding with Corbett Land Strategies Inc. (“**Corbett**”), the planner retained by West Brant Centre Inc. (“**West Brant**”), the owner of the neighboring property, regarding an application for severance approval to the City of Brantford (the “**City**”) in respect of a portion of the Real Property (the “**Severance Application**”);
- Reviewing Corbett’s presentation to the City regarding the City’s meeting on September 3, 2024 to approve the Severance Application;
- Reviewing the City’s notice of decision dated September 5, 2024;
- Corresponding with Corbett regarding dealing with the conditions to obtain approval of the severance and reviewing information from Corbett in respect of same;
- Attending a call on September 13, 2024 with Corbett regarding dealing with the severance approval conditions and reviewing the budget;
- Corresponding with West Brant regarding the Severance Application;
- Discussing the Severance Application with NHE;

Other

- Responding to emails and calls from creditors;
- Corresponding with the Company’s insurance broker regarding the Company’s insurance policy;
- Maintaining the service list in these proceedings on the Receiver’s website;
- Filing the Company’s HST return;
- Corresponding with Canada Revenue Agency regarding the HST return;
- Arranging payment of expenses incurred during the receivership proceedings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$ 30,395.46
HST	3,951.41
Total due	<u>\$ 34,346.87</u>

KSV Restructuring Inc.
111 Sherwood Investments Inc.

Time Summary

For the Period August 1 to September 30, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	750	3.00	2,250.00
Jordan Wong	550	37.00	20,350.00
Ben Luder	450	15.20	6,840.00
Other staff and administration		3.65	764.25
Total fees		58.85	30,204.25
Out-of-pocket disbursements			191.21
Total fees and disbursements			<u>30,395.46</u>



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INVOICE

111 Sherwood Investments Inc.
c/o KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

December 10, 2024

Invoice No: 4095
HST #: 818808768RT0001

Re: 111 Sherwood Investments Inc. (the "Company")

For professional services rendered for the month ended October 31, 2024 by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager (the "Receiver") of all of the assets, undertakings and properties of the Company including the real property located at 111 Sherwood Drive, Brantford, Ontario (the "Real Property"), including:

General

- Corresponding with Bennett Jones LLP ("**Bennett Jones**"), the Receiver's counsel, regarding these proceedings generally including the sale process for the Real Property (the "**Sale Process**");
- Corresponding extensively with NHE Capital Corp. ("**NHE**"), the Company's senior secured creditor, and attending numerous calls with NHE in respect of ongoing maintenance of the Real Property, the Sale Process, operational matters and offers received in the Sale Process;

Operational Matters

- Corresponding extensively with Markland Property Management Inc. ("**Markland**"), the property manager, regarding numerous matters including dealing with ongoing maintenance and repairs, rent collection, tenant correspondence, lease renewals and ongoing financial reporting and including attending calls on October 4 and 21, 2024 in respect of same;
- Reviewing information on the Company's online rental platform to review the collection of monthly rent;
- Corresponding with the Bank of Nova Scotia, the Company's banking provider, to arrange for ongoing transfers of rent collections to the Receiver's bank account;
- Reviewing Markland's monthly reporting;

- Corresponding with Markland regarding the collection of arrears and the payment of ongoing receivership expenses;
- Corresponding with Markland regarding occupancy matters with certain tenants;
- Corresponding with certain tenants regarding collection of rental arrears;
- Attending calls on October 18, 22 and 24, 2024 with certain tenants regarding extensions to their lease agreements (the "**Lease Extensions**");
- Corresponding with NHE and Markland regarding the Lease Extensions
- Reviewing lease extension agreements prepared by Bennett Jones and corresponding with the tenant regarding same;
- Preparing a tracker regarding tenant leases with near-term expiries and sending same to NHE;
- Corresponding with Markland regarding listing vacant units;
- Corresponding with Markland regarding floor plans for the Real Property and corresponding with Toms + McNally Design, an architect, regarding drawings for the Real Property;

Sale Process

- Corresponding with Colliers Macaulay Nicolls Inc. ("**Colliers**"), the Receiver's listing agent for the Real Property, regarding Sale Process updates;
- Attending a call on October 1, 2024 with NHE regarding the Sale Process and discussions with prospective purchasers;
- Corresponding with NHE regarding its potential interest in submitting a credit bid;
- Preparing a schedule for NHE regarding recent receivership real estate credit bid transactions;
- Corresponding with NHE regarding a potential purchaser;
- Reviewing an offer submitted on October 28, 2024 (the "**October 28 Offer**") by 10 John Holdings Inc. ("**10 John**"), a prospective purchaser, and corresponding with Bennett Jones, Colliers and NHE regarding same;
- Commenting on and making proposed revisions to the October 28 Offer;
- Preparing an analysis (the "**Analysis**") regarding the potential outcome for NHE based on the purchase price under the October 28 Offer and providing same to NHE;
- Attending calls on October 29 and 31, 2024 with NHE regarding the October 28 Offer and the Analysis;

Other

- Responding to emails and calls from creditors;
- Corresponding with Canada Revenue Agency HST returns;
- Corresponding with the Company's insurance broker regarding the Company's insurance policy;

- Maintaining the service list in these proceedings on the Receiver's website;
- Arranging payment of expenses incurred during the receivership proceedings;
- Preparing an Interim Report of the Receiver for the Companies pursuant to Subsection 246(2) of the *Bankruptcy and Insolvency Act*;
- Preparing a statement of receipts and disbursements;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$	16,928.48
HST		<u>2,200.70</u>
Total due	\$	<u><u>19,129.18</u></u>

KSV Restructuring Inc.
111 Sherwood Investments Inc.

Time Summary

For the Period Ending October 31, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	750	1.00	750.00
Jordan Wong	550	12.00	6,600.00
Ben Luder	450	20.15	9,067.50
Other staff and administration		2.50	510.00
Total fees		35.65	16,927.50
Out of pocket disbursements			0.98
Total fees and disbursements			16,928.48



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INVOICE

111 Sherwood Investments Inc.
c/o KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

December 5, 2024

Invoice No: 4071
HST #: 818808768RT0001

Re: 111 Sherwood Investments Inc. (the “Company”)

For professional services rendered for the month ended November 30, 2024 by KSV Restructuring Inc. (“KSV”) in its capacity as receiver and manager (the “Receiver”) of all of the assets, undertakings and properties of the Company including the real property located at 111 Sherwood Drive, Brantford, Ontario (the “Real Property”), including:

General

- Corresponding with Bennett Jones LLP (“**Bennett Jones**”), the Receiver’s counsel, regarding these proceedings generally including the sale process for the Real Property (the “**Sale Process**”);
- Corresponding extensively with NHE Capital Corp. (“**NHE**”), the Company’s senior secured creditor, and attending numerous calls with NHE in respect of ongoing maintenance of the Real Property, the Sale Process, operational matters and offers received in the Sale Process;
- Corresponding with and attending a call on November 27, 2024 with Golden Horseshoe Capital Inc. (“**Golden Horseshoe**”), the former mortgage administrator of the Company’s second mortgage with Olympia Trust Company (“**Olympia**”), the Company’s subordinate secured creditor regarding the Sale Process;
- Corresponding and attending a call with Olympia on November 28, 2024 to discuss the Sale Process;

Operational Matters

- Corresponding with Markland Property Management Inc. (“**Markland**”), the property manager, regarding numerous matters including dealing with ongoing maintenance and repairs, rent collection, tenant correspondence, lease renewals and ongoing financial reporting;

- Reviewing information on the Company's online rental platform to review the collection of monthly rent;
- Corresponding with the Bank of Nova Scotia, the Company's banking provider, to arrange for ongoing transfers of rent collections to the Receiver's bank account;
- Reviewing Markland's monthly reporting;
- Corresponding with Markland regarding the collection of arrears and the payment of ongoing receivership expenses;
- Corresponding with Markland regarding occupancy matters with certain tenants;
- Corresponding with a tenant regarding an extension to their lease agreement (the "**Lease Extension**");
- Corresponding with Bennett Jones and NHE regarding the Lease Extension;
- Maintaining a tracker regarding tenant leases with near-term expiries;
- Corresponding with Markland regarding listing vacant units;

Sale Process

- Corresponding with Colliers Macaulay Nicolls Inc. ("**Colliers**"), the Receiver's listing agent for the Real Property, regarding the Sale Process;
- Attending a call on November 6, 2024 with NHE regarding the Sale Process;
- Discussing with NHE an agreement of purchase and sale dated November 6, 2024 (the "**APS**") submitted by 10 John Holdings Inc. ("**10 John**");
- Corresponding with Bennet Jones and NHE regarding the APS including negotiating its terms;
- Corresponding with NHE and 10 John regarding the receipt of 10 John's deposit;
- Attending a call on November 19, 2024 with 10 John to coordinate leasing logistics at the Real Property;

Other

- Responding to emails and calls from creditors;
- Attending a call on November 21, 2024 with one of Olympia's investors regarding the Sale Process;
- Corresponding with the Company's insurance broker regarding the Company's insurance policy;
- Maintaining the service list in these proceedings on the Receiver's website;

- Arranging payment of expenses incurred during the receivership proceedings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees	\$	10,534.50
HST		<u>1,369.49</u>
Total due	\$	<u><u>11,903.99</u></u>

KSV Restructuring Inc.
111 Sherwood Investments Inc.

Time Summary

For the Period Ending November 30, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Jordan Wong	550	10.50	5,775.00
Ben Luder	450	9.65	4,342.50
Other staff and administration		2.10	417.00
Total fees		22.25	<u>10,534.50</u>



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INVOICE

111 Sherwood Investments Inc.
c/o KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

January 10, 2025

Invoice No: 4140
HST #: 818808768RT0001

Re: 111 Sherwood Investments Inc. (the "Company")

For professional services rendered for the month ended December 31, 2024 by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager (the "Receiver") of all of the assets, undertakings and properties of the Company including the real property located at 111 Sherwood Drive, Brantford, Ontario (the "Real Property"), including:

General

- Corresponding with Bennett Jones LLP ("**Bennett Jones**"), the Receiver's counsel, regarding these proceedings generally including a transaction in respect of the sale of the Real Property pursuant to an agreement of purchase (the "**APS**") and sale dated November 6, 2024 between 10 John Holdings Inc. (the "**Purchaser**") and the Receiver (the "**Transaction**");
- Corresponding extensively with NHE Capital Corp. ("**NHE**"), the Company's senior secured creditor, and attending numerous calls with NHE in respect of the Transaction and operational matters;
- Drafting KSV's Second Report to Court recommending the approval of the APS;

Operational Matters

- Corresponding with Markland Property Management Inc. ("**Markland**"), the property manager, regarding numerous matters including dealing with ongoing maintenance and repairs, rent collection, tenant correspondence, lease renewals and ongoing financial reporting and attending a call on December 1, 2024 regarding same;
- Reviewing information on the Company's online rental platform to review the collection of monthly rent;
- Corresponding with the Bank of Nova Scotia, the Company's banking provider, to arrange for ongoing transfers of rent collections to the Receiver's bank account;

- Reviewing Markland's monthly reporting;
- Corresponding with Markland regarding the collection of arrears and the payment of ongoing receivership expenses;
- Corresponding with Markland regarding occupancy matters with certain tenants;
- Corresponding with a tenant regarding an extension to their lease agreement (the "**Lease Extension**");
- Corresponding with Bennett Jones and NHE regarding the Lease Extension;

Sale Process

- Corresponding with Colliers Macaulay Nicolls Inc., the Receiver's listing agent for the Real Property, regarding preparing a summary of the sale process for the Real Property and reviewing a draft of same;
- Corresponding with Bennett Jones, NHE and the Purchaser regarding the receipt of the Purchaser's final deposit;
- Responding to the Purchaser's information requests;

Other

- Responding to emails and calls from creditors;
- Arranging payment of expenses incurred during the receivership proceedings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$ 10,577.73
HST	<u>1,375.10</u>
Total due	<u>\$ 11,952.83</u>

KSV Restructuring Inc.
111 Sherwood Investments Inc.

Time Summary

For the Period Ending December 31, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Noah Goldstein	750	1.00	750.00
Jordan Wong	550	4.25	2,337.50
Ben Luder	450	14.70	6,615.00
Other staff and administration		2.45	495.75
Total fees		21.40	10,198.25
Add: out-of-pocket disbursements			379.48
Total fees and disbursements			<u>10,577.73</u>

This is Exhibit "B" referred to in the
Affidavit of Noah Goldstein sworn before
me, this 17th day of January, 2025



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027

111 Sherwood Investments Inc.
 Schedule of Professionals' Time and Rates
 For the Period from April 17, 2024 to December 31, 2024

Personnel	Title	Duties	Hours	Billing Rate (\$ per hour)	Amount (\$)
Noah Goldstein	Managing Director	Overall responsibility	54.25	750	40,687.50
Jordan Wong	Director	All aspects of mandate	213.75	550	117,562.50
Ben Luder	Manager	All aspects of mandate	123.55	450	55,597.50
Other staff and administrative			28.35	150 - 250	5,794.50
Total fees			<u>419.90</u>		<u>219,642.00</u>
Total hours					419.90
Average hourly rate					\$ 523.08

NHE CAPITAL CORP.

- and -

111 SHERWOOD INVESTMENTS INC.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

MOTION RECORD
(Returnable January 30, 2025)
Volume 1 of 2

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Court-appointed Receiver and not in its personal capacity