



**Supplement to the First Report of
KSV Restructuring Inc.
as Receiver and Manager of certain real
property, assets, undertakings and
property of Maplequest Ventures Inc.
and Digram Developments Caledon Inc.**

October 2, 2024

| Contents | | Page |
|-----------------|-------------------------------------|-------------|
| 1.0 | Introduction | 1 |
| | 1.1 Purpose | 1 |
| | 1.2 Restrictions | 1 |
| 2.0 | Listing Agreement | 2 |
| 3.0 | Conclusion and Recommendation | 2 |

Appendices

| Appendix | Tab |
|-------------------------------------|----------------|
| Listing Agreement (redacted)..... | A |
| Confidential Appendix | Tab |
| Listing Agreement (unredacted)..... | 1 |



COURT FILE NO: CV-24-00722148-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

KINGSETT MORTGAGE CORPORATION AND FIRST SOURCE FINANCIAL
MANAGEMENT INC.

APPLICANTS

- AND -

MAPLEQUEST VENTURES INC. AND DIGRAM DEVELOPMENTS CALEDON INC.

RESPONDENTS

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

SUPPLEMENT TO THE FIRST REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

OCTOBER 2, 2024

1.0 Introduction

1. This report (“Supplemental Report”) supplements the Receiver’s First Report to Court dated September 30, 2024 (the “First Report”).
2. Unless otherwise stated, capitalized terms used in this report have the meanings provided to them in the First Report.

1.1 Purpose

1. The purpose of this Supplemental Report is to file the Listing Agreement and to provide the Receiver’s rationale for seeking a sealing order (the “Sealing Order”) in respect an unredacted version of the same.

1.2 Restrictions

1. This Supplemental Report is subject to the restrictions in the First Report.

2.0 Listing Agreement

1. In Section 4.1 of the First Report, the Receiver advised that it was in the process of finalizing the terms of the Listing Agreement with Remax and JLL, the selected brokers to market the Property pursuant to the proposed Sale Process. The Receiver further advised that it would file the finalized form of the Listing Agreement in a supplemental report.
2. The Receiver has now finalized the form Listing Agreement and expects that the executed Listing Agreement will be in substantially the same form. Attached as Appendix "A" is a redacted copy of the Listing Agreement with an unredacted copy being filed as Confidential Appendix "1".
3. The Listing Agreement provides that in the event of a credit bid by any of the Mortgagees, the Listing Agents would be entitled to commissions calculated based on the guaranteed minimum cash consideration provided for in the highest Closeable Offer (as defined in the Listing Agreement), provided that the Closeable Offer meets the relevant "Minimum Bid Amount".
4. The Receiver recommends that the unredacted Listing Agreement (Confidential Appendix "1") which has the Minimum Bid Amount unredacted, be filed with the Court on a confidential basis and remain sealed until the earlier of: (a) the closing of all transactions related to the Real Property following the culmination of the Sale Process; and (b) further order of the Court.
5. The Minimum Bid Amount, which contains an indication of the value of the Property, could adversely impact the marketability and realization of the Property subject to the Sale Process. Therefore, sealing this information is necessary for ensuring recoveries in these proceedings are maximized.
6. 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 not aware of any party that will be prejudiced if the information is sealed or any public interest that will be served if such details are disclosed in full. Additionally, the sealing relief is appropriately limited in time and scope. The Receiver is of the view that the sealing of the Confidential Appendix is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Receiver believes the proposed sealing of the Confidential Appendix is appropriate in the circumstances.

3.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the Sealing Order.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
CERTAIN REAL PROPERTY, ASSETS, UNDERTAKINGS AND PROPERTY OF
MAPLEQUEST VENTURES INC. AND DIGRAM DEVELOPMENTS CALEDON INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

This Listing Agreement (the "**Agreement**") is entered into between **Jones Lang LaSalle Real Estate Services, Inc. ("JLL"), RE/MAX Excel Realty Limited ("Remax"** and together with JLL, the "**Listing Brokerages**") and **KSV Restructuring Inc. (the "Seller")** as receiver and manager (the "**Receiver**") of the real properties listed in Appendix "A" (the "**Real Property**"), as well as all other property and assets related to the Real Property (the "**Property**"), pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice (the "**Court**") issued on June 26, 2024, and without personal or corporate liability and solely in its capacity as Receiver.

To the extent of any inconsistency between this Agreement and the OREA Listing Agreement - Commercial, this Agreement shall govern. Notwithstanding anything contained in the OREA Listing Agreement - Commercial, each of Listing Brokerages and the Seller acknowledges and agrees as follows:

Term: This Agreement shall commence on September 30, 2024 (the "**Commencement Date**") and be for a term of six (6) months and expire on March 31, 2025 (the "**Term**") unless earlier terminated pursuant hereto or unless otherwise extended by mutual written agreement of the parties.

Designated Agency: The Seller hereby authorizes (i) JLL to appoint Bryce Gibson, Matt Picken, Jared Cowley, Vienna Loo, and Tyler Randa as the Seller's Designated Agent(s); and (ii) Remax to appoint Ruby Sangha, as the Seller's Designated Agent(s) (collectively (i) and (ii), the "Designated Agent(s)") for the sale of the Property. It is understood and agreed that this Agreement creates an agency relationship with the Designated Agent(s) only, not with any other agents of the Listing Brokerages; provided, the Seller authorizes the Listing Brokerages to appoint other agents affiliated with the Listing Brokerages as subagents to act on the Seller's behalf as and when needed, at the Listing Agent's discretion. The Designated Agents will each be available and will devote the time required to undertake the assignment contemplated herein. In all circumstances, the Designated Agent(s) will not disclose to other parties, including agents of Listing Brokerages who represent Buyers but excluding Listing Brokerages' support persons, any confidential information of the Seller obtained through the Designated Agent(s) agency relationship with the Seller unless authorized by the Seller or required by law.

1. Termination Rights. The Seller may without penalty or cost to the Seller terminate the Agreement at any time, if the Designated Agent(s) is in default hereunder or under any other agreement with the Seller. In addition, this Agreement shall automatically terminate if: (a) the Receivership Order is revoked, overturned on appeal, suspended or terminated; and/or (b) the Seller is restricted in or enjoined from dealing with the Property by a court of competent jurisdiction; and/or (c) any of the mortgagees of the Property or any other future lenders are permitted by court order to enforce their rights and/or remedies against the Property.

2. Price. While it is the Seller's intention to obtain the highest and best offer for the Property, the Designated Agent(s) acknowledges and agrees that the Seller need not accept the highest offers and/or the best offers or any offer, and that acceptance by the Seller of any offers for the Property are subject at all times to the Seller's approval in its sole and absolute discretion and as well as approval by the Court. No fee, commission or other compensation is payable to the Designated Agent(s) (except as detailed in Section 6 below) in respect of the Property unless and until the sale of the Property has been completed and the purchase price consideration payable to the Seller has been paid in its entirety.

3. Holdover Period Commission. Any fee, commission or other compensation payable to the Listing Brokerage in connection with a holdover period, being six months from the termination of the Listing Agreement ("**Holdover Period**"), shall: (a) only apply to those purchasers who were introduced to the Seller or to the Property by the Designated Agent(s) during the Term and who the Listing Brokerages have previously disclosed in writing to the Seller no later than three (3) days following the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Property as the new Listing Brokerage (the "**New Agent**") on the basis of an agreement with the New Agent entered into with respect to the Holdover Period. If the Designated Agent(s) had introduced up to a maximum of two (2) different prospective bona fide purchasers to the Seller during the Term (each being a "**Serious Prospect**") and said Serious Prospect had entered into material negotiations with the Seller to purchase the Property, but said material negotiations had not resulted in a binding agreement of purchase and sale, then to the extent that each of the Listing Brokerage and the Seller agree in writing to designate said prospective purchaser as a Serious Prospect prior to the expiration of the Term, and so long as the Seller is not prohibited from doing so, and provided that the New Agent has agreed to forego its fee should a sale to a Serious Prospect be completed, the Listing Brokerage shall be entitled to its commission in connection with the transaction being completed with the Serious Prospect upon terms and conditions acceptable to the Seller in their sole and absolute discretion, which transaction must be subject to Court approval and a binding and unconditional agreement of purchase and sale executed by each of the parties thereto prior to the expiration of the Holdover Period. During the Holdover Period, the Listing Brokerages

will not be entitled to any commission, payment or fee as the Seller's agent if the Listing Team (as defined below) represents the purchaser.

4. Designated Agent(s)'s Duties. The Designated Agent(s) covenants and agrees with the Seller to:

(a) pursuant to the Seller's instructions as outlined below, offer the Property for sale on an unpriced basis (save and except as described in (b) below with respect to the Multiple Listings Service ("**MLS**");

(b) if instructed by the Seller, offer the Property for sale on MLS, for which the listed price shall be \$1.00, or as otherwise directed by the Seller, and the commissions to Co-operating Brokerage shall be as listed on Schedule "B";

(c) unless otherwise agreed by the Seller, diligently market the Property for sale and use commercially reasonable efforts to sell the Property pursuant to the process set out in Schedule "C" attached hereto (the "**Sale Process**");

(d) ensure that there is continuity in the assignment of individual staff members and partners to the work performed by the Listing Brokerages under the terms of this engagement.

(e) subject to the instructions of the Seller, to assist the Seller in negotiating binding agreements of purchase and sale subject to Court approval with those parties identified by the Seller. Only the Seller shall have authority to accept offers and the Designated Agent(s) shall not have any authority whatsoever to enter into any sale, financing or other contract on behalf of the Seller and/or to otherwise bind the Seller in any manner whatsoever;

(f) continue to assist the Seller in connection with the sale of the Property and seeking Court approval after the execution of a binding agreement of purchase and sale with respect to the same until such sale has been successfully concluded; and

(g) unless the Seller's written consent is provided in advance, to act solely for the benefit of the Seller in connection with the marketing and sale of the Property and not to have any direct or indirect interest in any entity purchasing or proposal to purchase the Property and not to receive any payments or other benefits from said purchasers or potential purchasers.

Notwithstanding the foregoing, Seller expressly agrees that the Designated Agent(s) are being retained solely to provide the services contemplated above and not as a lawyer, legal advisor, tax advisor, lender, certified appraiser, surveyor, structural engineer, building inspector or other professional service provider.

5. Commission Payable to the Listing Brokerage. Subject to the terms set out herein, the Seller shall pay to the Listing Brokerage upon the successful completion of sale of the Property, a commission payable in accordance with Schedule "B" attached hereto (the "**Listing Fee**") and any applicable work fee as set forth in Schedule "B" attached hereto (each a "**Work Fee**"). The Seller acknowledges that payment of HST applies on all commissions and Work Fees payable. As it relates to the commission payable or any Work Fee, a sale constitutes a Court approved sale of the Property, share transaction, exercise of first right to purchase, option or other form of sale or transfer of the rights of the Property. The Seller agrees to notify the Designated Agent(s) of the successful completion or closing. The Seller hereby instructs its solicitors to distribute payment to the Listing Brokerage in the amount noted above directly out of the proceeds of sale in accordance with an accepted agreement of purchase and sale and to have same addressed as a closing cost to the transaction.

6. Credit Bid Fees. If anytime during the Term the Seller completes a credit bid by a mortgagee of the Real Property, the Listing Brokerage shall be entitled to the Listing Fee (plus applicable taxes and actual disbursements) of the guaranteed minimum cash consideration provided for in the highest Closeable Offer (as defined below), if any (not including any other credit bid offers) received which Listing Fee, for greater certainty, will be credited against any Work Fee payable. For the purposes of this Agreement, "**Closeable Offer**" shall mean a bid provided pursuant to, and in accordance with, the Sales Process, which meets the relevant minimum bid amount set forth in Schedule "B" and reflects a reasonably likely prospect of being completed within the terms contemplated by the Sales Process, as determined by the Seller, in its sole discretion.

7. Acknowledgments. The Listing Brokerage and the Designated Agent(s) acknowledges and agrees in favour of the Seller that:

(a) the Property is to be marketed and sold on an "as is, where is" basis and, accordingly, any agreement of purchase and sale shall provide an acknowledgment by such purchaser that the Property is being sold by the Seller on an "as is, where is" basis, and that no representations or warranties have been or will be made by the Seller or anyone acting on its behalf, to the Designated Agent(s) or such purchaser as to the condition of the Property or any buildings located thereon; (b) the Seller may annex a schedule to the transfer/deed of land (or other registrable document with respect to the sale) expressly excluding any covenants deemed to be included pursuant to the Land Registration Reform Act of Ontario, other than one to the effect that the Seller has the right to

convey the Property; (c) in lieu of a transfer/deed of land for the Property, the Seller will vest title to the Property by way of an approval and vesting order issued by the Court; and (d) the sale of the Property requires the prior approval of the Court in said Court's sole and absolute discretion.

8. Advertisement Expenses, Third Party Consultants and Reporting. All advertising and sales promotion shall be subject to the approval of the Seller and all such advertisement and promotional material shall be prepared, published and distributed by the Designated Agent(s) and shall be at the expense of the Listing Brokerage/Designated Agent(s). All third-party reports and legal service fees requested and/or approved by the Seller shall be at the expense of the Seller. The Designated Agent(s) agrees to provide the Seller with detailed reporting regarding the status of the Sale Process, including weekly lists of its solicitation efforts, the parties interested in the opportunity, the status of their diligence and such other information as is reasonably requested by Seller to be kept apprised of all material developments in the Sale Process. The Designated Agent(s) will participate in no less than one weekly update call with the Seller, in Seller's discretion.

9. Indemnity. The Designated Agent(s) confirms that it owes an obligation to the Seller and its officers, employees and agents (collectively, the "**Indemnified Parties**") to carry out its activities in a competent and professional manner acting reasonably and in good faith. As such, the Listing Brokerage hereby indemnifies the Indemnified Parties with respect to claims made by third parties against the Indemnified Parties arising out of the negligence, willful misconduct, or fraud by the Designated Agent(s). This indemnity shall survive the expiration or termination of the Agreement.

10. Confidentiality. The Designated Agent(s) shall treat and shall cause its agents to treat as confidential and shall not disclose, during as well as after the rendering of the service contracted herein, any confidential information, records or documents to which the Designated Agent(s) becomes privy as a result of its performance of the Agreement and shall take all necessary steps to ensure the confidentiality of information in the Designated Agent(s)'s possession or control except for disclosure that may be required for the reasonable performance by the Designated Agent(s) of its responsibilities hereunder. The Designated Agent(s) acknowledges that the Seller may disclose this Agreement in its sole and absolute discretion, including to stakeholders, creditors and the Court.

11. Assignment. This Agreement shall not be assigned in whole or in part by the Listing Brokerage without the prior written consent of the Seller which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

12. Seller's Capacity. Notwithstanding the foregoing or anything else contained herein or elsewhere, the Designated Agent(s) acknowledges and agrees that approval of the Sale Process (including the retention of the Designated Agent(s)) and any transaction or transactions involving a sale of the Property require the prior approval of the Court in the Court's sole and absolute discretion.

13. Warranty. Subject to Section 12 above and the remainder of this Section 13, the Seller represents and warrants that upon approval by the Court the Seller will have the exclusive authority and power to execute this Agreement and to authorize the Designated Agent(s) to offer the Property for sale. Notwithstanding the foregoing, the Designated Agent(s) acknowledges and agrees that the Seller has only limited knowledge about the Property and cannot confirm any third-party interests or claims with respect to the Property such as rights of first refusal, options, easements, mortgages, encumbrances or other otherwise concerning the Property, which may affect the sale of the Property.

14. Execution. This Agreement and any other agreement delivered in connection therewith, and any amendments thereto, may be executed by electronic copy or such similar format and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original of this Agreement, or such other agreement or amendment, as the case may be, and shall be deemed to be made when the receiving party confirms this Agreement, or such agreement or amendment, as the case may be, to the requesting party by electronic copy or such similar format. This Agreement may be executed in several counterparts, and each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date first written above.

15. Jurisdiction. This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario. If any provision hereof is invalid or unenforceable in any jurisdiction where this Agreement is to be performed, such provision shall be deemed to be deleted and the remaining portions of this Agreement shall remain valid and binding on the parties hereto.

16. Finder's Fees. The Seller does not consent to the Listing Brokerage/Designated Agent(s) (or its respective affiliates) receiving and retaining, in addition to the commission provided for or otherwise contemplated in this Agreement, a finder's fee for any financing of the Property.

17. Verification of Information. The Seller authorizes the Designated Agent(s) to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required, provided such authorizations expressly prohibit any inspections by such regulatory authorities. For greater certainty, none of the Listing Brokerage or the Designated Agent(s) may bind the Seller or execute any documentation on behalf of the Seller. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

18. No Liability of Officers, Directors etc.: In the enforcement of their rights hereunder, the parties agree that neither of them shall seek or obtain a money judgment, or exercise any other right or remedy, against any of the officers, directors, shareholders, employees, agents or principals (disclosed or undisclosed) of the parties or any of their successors or assigns. Neither party shall be liable to the other for, and each party hereby waives any and all rights to claim against the other, any special, indirect, incidental, consequential, punitive or exemplary damages in connection with this Agreement, including, but not limited to, lost profits. Except for any breach of indemnification obligations outlined herein, in no event shall Listing Brokerage's and/or Designated Agent(s) liability to the Seller exceed One Million (\$1,000,000.00) Dollars. The terms and conditions set forth in this clause shall survive the expiration or termination of this Agreement.

**JONES LANG LASALLE REAL ESTATE SERVICES,
INC.**

Per: _____

Name: Matt Picken

Title: Managing Director, Canada Capital Markets

RE/MAX EXCEL REALTY LIMITED

Per: _____

Name: Ruby Sangha

Title: Sales Representative

**KSV RESTRUCTURING INC. SOLELY IN ITS
CAPACITY AS COURT APPOINTED RECEIVER AND
MANAGER OF CERTAIN PROPERTY OF
MAPLEQUEST VENTURES INC. AND DIGRAM
DEVELOPMENTS CALEDON INC., AND NOT IN
ITS PERSONAL OR CORPORATE CAPACITY AND
WITHOUT PERSONAL OR CORPORATE LIABILITY**

Per: _____

Name: Noah Goldstein

Title: Managing Director

Schedule "A"

Real Property

| Company | Real Property Address | PIN | Description |
|----------------------------------|---|--|--|
| Maplequest Ventures Inc. | 10475 Heritage Road, Brampton (the " Heritage Road Property ") | PIN 14363-0076 (LT) | Approximately 50-acre residential site being developed into 147 townhouse units, 288 midrise apartment units and 1,599 high-rise apartment units. |
| Maplequest Ventures Inc. | 11229 and 11258 Torbram Road, Brampton (the " Torbram Road Property ") | PIN 14222-0328 (LT) PIN 14222-0326 (LT) | Approximately 19.91 acres site being developed into 144 low-density single-family dwellings and 27 freehold medium density townhome dwellings having a total of 9,422 linear front feet. |
| Digram Developments Caledon Inc. | 4 Breckonwood Street, Caledon and 18 Portman Street, Caledon (the " Single-Family Lots ") | PIN 14235-6765 (LT) PIN 14235-6979 (LT) PIN 14235-6280 (LT) PIN 14235-6286 (LT) | Two individual lots |
| Digram Developments Caledon Inc. | Dotchson Avenue, Caledon (located on the corner of Dotchson Avenue and Kennedy Road North) (the " Dotchson Avenue Lands ") | PIN 14235-6794 (LT) | Caledon Homes – 32 townhomes |

Schedule "B"

Sale of the Property:

The Listing Brokerages shall be entitled to a Work Fee of \$100,000 plus HST in respect of each of the Heritage Road Property, the Torbram Road Property and the Dotchson Avenue Lands with 80% of each Work Fee being payable to JLL and 20% of each Work Fee being payable to Remax.

The Listing Fee is summarized in the table below. The Cooperating Agent fees, if applicable, are in addition to the Seller Side Fees.

| | Total Seller Side Fee (%) | JLL Fee, as a % of Seller Side Fee | Remax Fee (%) as a % of Seller Side Fee | Cooperating Agent |
|-------------------------------|---------------------------|------------------------------------|---|-------------------|
| Heritage Road Property | 1.40% | 60% | 40% | 0.5% |
| Torbram Road Property | 0.80% | 60% | 40% | 0.5% |
| Dotchson Avenue Lands | 3.75% | 60% | 40% | 0.5% |
| Single-Family Lots | 2.50% | 0% | 100% | 2.5% |

Minimum Bid Amount:

| | Relevant Minimum Bid Amount |
|--|-----------------------------|
| Heritage Road Property | ██████████ |
| 11229 Torbram Road, Brampton (East Lot) | ██████████ |
| 11258 Torbram Road, Brampton (West Lot) | ██████████ |
| Dotchson Avenue Lands | ██████████ |

Schedule "C"

Sale Process:

| Summary of Sale Process | | |
|--------------------------------|--|--|
| Milestone | Description of Activities | Timeline |
| <i>Phase 1 - Underwriting</i> | | |
| Prepare marketing materials | <ul style="list-style-type: none"> ➤ For the Development Lands, the Listing Brokerages and the Receiver to: <ul style="list-style-type: none"> ○ prepare a teaser and confidential information memorandum ("CIM") ○ populate virtual data rooms for the Real Properties; and ○ prepare a confidentiality agreement ("CA"). ➤ For the Individual Lots, the Receiver and Remax to prepare materials required to prepare the Individual Lots for posting on the Multiple Listing Service ("MLS"). | As soon as possible, but no later than 2 weeks after Court approval of the Sale Process. |
| Prospect Identification | <ul style="list-style-type: none"> ➤ For each Real Property, the Listing Brokerages to: <ul style="list-style-type: none"> ○ develop master prospect lists; ○ prioritize prospects; ○ have pre-marketing discussions with the targeted prospects; ○ engage in discussions with planners, consultants and municipalities; and ○ consult with the Receiver regarding the above. | |
| <i>Phase 2 - Marketing</i> | | |
| Stage 1 | <ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ sending marketing materials, including marketing brochure to each Listing Brokerages' client base, including specifically targeted prospects; ○ publishing the acquisition opportunity in such journals, publications and online as the Listing Agents and the Receiver believe appropriate to maximize interest in this opportunity; ○ posting "for sale" signs on each Real Property, to the extent applicable; ○ engaging in direct canvassing of the most likely prospects and tailoring the pitch to each of these candidates based on the brokers knowledge of these parties; ○ meeting with prospective bidders to explain the potential of each site; and ○ in the case of the Individual Lots, listing them for sale on MLS; | 30 days from sale process launch |

| Summary of Sale Process | | |
|--|---|---|
| Milestone | Description of Activities | Timeline |
| | <ul style="list-style-type: none"> ➤ Receiver and its legal counsel preparing a Vendor's form of Purchase and Sale Agreement (the "PSA") which will be made available to prospective purchasers. ➤ Listing Brokerages providing additional information to qualified prospects that execute the CA, including access to data rooms and a copy of the CIM. ➤ Listing Brokerages and Receiver facilitating diligence by interested parties. | |
| Stage 2 | <ul style="list-style-type: none"> ➤ Bid Deadline - Prospective purchasers to submit offers in the form of the PSA, with any changes to the PSA blacklined. | The Receiver will set a bid deadline, in consultation with the Listing Brokerages and KingSett, no earlier than 30 days after commencing the marketing process. The bid deadline may differ for each Real Property. |
| <i>Phase 3 – Offer Review and Negotiations</i> | | |
| Short-listing of Offers and Selection of Successful Bid(s) | <ul style="list-style-type: none"> ➤ Listing Brokerages to collect, summarize and provide to the Receiver commentary on initial bids received. ➤ 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 applicable Mortgagees regarding the offers received, subject to any confidentiality requirements that the Receiver believes appropriate. ➤ 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, including the value of any carried interest; ○ third-party approvals required, if any; ○ conditions, if any, and time required to satisfy or waive same; and | Two weeks from bid deadline |

| Summary of Sale Process | | |
|---|---|---|
| Milestone | Description of Activities | Timeline |
| | <ul style="list-style-type: none"> ○ such other factors affecting the speed and certainty of closing and the value of the offers as the Receiver considers relevant, subject to the terms of the Sale Process. | |
| Selected bidder(s) to perform final due diligence | <ul style="list-style-type: none"> ➤ Bidder(s) to address their conditions. ➤ Back up bidders to remain subject to the terms of their bid and the Sales Process. | 30 to 60 days from selection of successful bidders |
| Sale Approval Motion and Closing(s) | <ul style="list-style-type: none"> ➤ Upon execution of definitive transaction documents, the Receiver will seek Court approval of the successful offer(s). | 15 to 30 days from the date that the selected bidder confirms all conditions have been satisfied or waived, subject to Court availability |
| Closings | <ul style="list-style-type: none"> ➤ Following Court approval. | ASAP |

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

**KINGSETT MORTGAGE CORPORATION AND FIRST SOURCE
FINANCIAL MANAGEMNT INC.**

and **MAPLEQUEST VENTURES INC. AND DIGRAM
DEVELOPMENTS CALEDON INC.**

Applicants

Respondents

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

Proceedings commenced in Toronto

SUPPLEMENT TO THE FIRST REPORT OF THE RECEIVER

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Tel: (416) 777-7869

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