

Court File No. CV-21-00659019-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

MERIDIAN CREDIT UNION LIMITED

Applicant

- and -

2607380 ONTARIO INC.

Respondent

**MOTION RECORD
VOLUME 1
(RETURNABLE DECEMBER 5, 2023)**

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TAB A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

MERIDIAN CREDIT UNION LIMITED

Applicant

- and -

2607380 ONTARIO INC.

Respondent

**NOTICE OF MOTION
(Returnable: December 5, 2023)**

msi Spergel Inc. ("**Spergel**" or the "**Receiver**") in its capacity as receiver and manager, without security, of the assets, undertakings and properties of 2607380 Ontario Inc. (the "**Debtor**"), will make a Motion before a Judge presiding over the Commercial List on Tuesday, the 5th day of December, 2023, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. an Order substantially in the form attached hereto as Schedule "A", *inter alia*:
 - (i) if necessary, validating service of the Notice of Motion and the Motion Record in the manner effected by the Receiver and an Order dispensing with service thereof on any party other than the parties served;

- (ii) approving the sale transaction (the “**Transaction**”) contemplated by an Agreement of Purchase and Sale (the “**Purchase Agreement**”) between the Receiver, as Vendor, and Crossroads Christian Communications Incorporated (the “**Purchaser**”) dated August 22, 2023, in respect of the sale of real property located at 1295 North Service Road, Burlington, Ontario, and legally described below, (the “**Property**”) for the sale of the land and buildings on the Property owned by the Debtor and authorizing the Receiver to do all things and execute all documentation necessary to complete the transaction contemplated therein;

PT LT 10, RCP, PL 99, Part 3 & 7, 20R6963 S/T IN 619045; BURLINGTON

- (iii) vesting the right, title and interest of the Debtor in the Property in and to Crossroads Christian Communications Incorporated free and clear of encumbrances save and except the Permitted Encumbrances as defined in the Purchase Agreement;
- (iv) sealing the Confidential Appendices 1 through 8 to the First Report of the Receiver dated November 21st, 2023 (the “**First Report**”) until the earlier of the completion of the transaction or further Order of this Honourable Court.
- (v) permitting, consequent to the request of the senior secured creditor Meridian Credit Union Limited, the Receiver to assign the Debtor into bankruptcy and to

accept an appointment as the Trustee in Bankruptcy in the Estate of the Debtor;

- (vi) approving the First Report of the Receiver and the conduct, activities and actions to date;
- (vii) approving the distribution of the net proceeds of sale of the property of 2607380 Ontario Inc. and authorizing and directing the Receiver to proceed to make the distributions and set aside the reserves recommended by the Receiver in the First Report of the Receiver adhering to the priority established by this Court in the proceedings of the Debtor under the Companies Creditors' Arrangement Act (Canada) (the "**CCAA Proceedings**"), by Order of Conway J. dated February 25th, 2020 ("**Initial CCAA Order**") and as amended by Conway J. on March 6, 2020 ("**Amended and Restated Initial CCAA Order**") as modified by the Initial Order of this Court in these proceedings dated March 18, 2021, such that the priority of the CCAA charges in relation to the Receivership charges shall be as follows:

- a. First — Administration Charge of \$300,000;
- b. Second — Meridian DIP Charge of \$7,180,000 plus accrued interest;
and,
- c. Third — Receiver's Borrowings Charge of \$200,000;

with the balance of the proceeds to be used for settlement of closing costs, priority payables, the Receiver's and its' legal counsel's fees and secured creditor claims;

- (viii) an Order authorizing the Receiver to make payment of any outstanding taxes and all costs to complete the administration of the receivership from the sale proceeds;
- (ix) approving the Receiver's Final Statement of Receipts and Disbursements; and,
- (x) an Order approving the professional fees and disbursements of the Receiver for the period commencing March 18, 2021 to and including November 10, 2023, in the amount of \$625,469.06, inclusive of HST, as well as authorizing the Receiver to make payment of such amounts to Spergel from the sale proceeds;
- (xi) an Order approving the legal fees and projected fee accrual of SimpsonWigle LAW LLP, lawyers for the Receiver, for the period of March 17, 2021 to February 15, 2023 in the amount of \$48,934.81 and the period of February 16, 2023 to November 20th , 2023, in the amount of \$11, 396.17, all of the foregoing being inclusive of HST, as well as authorizing the Receiver to make payment of such amounts to SimpsonWigle LAW LLP from the sale proceeds
- (xii) providing for the discharge and release of Spergel as Receiver of the assets, undertakings and properties of the Debtor upon payment of the amounts

referenced herein and upon the Receiver filing the Certificate certifying that it has completed the activities detailed in the Report; and,

(xiii) such further Order as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Background:

1. Pursuant to the Order of the Honourable Justice Dietrich dated March 18, 2021 (the “**Appointment Order**”), Spergel was appointed as Receiver of the assets, undertakings and properties of the Debtor and the Debtor’s extant CCAA proceeding was terminated.

Sale Process:

2. The Appointment Order empowered the Receiver to:

a) sell, convey, transfer, lease or assign the Property or any part of parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00 provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and,

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required; and,

b) 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.

3. The Receiver obtained two valuations of the Property. One from CBRE Limited, Valuation & Advisory Services with an effective date of April 29, 2021 and one from Antec Appraisal Group with an effective date of April 27, 2021. The Receiver obtained an updated valuation from Antec Appraisal Group dated November 1, 2023, which is included in the Receiver's Confidential Appendices.

4. The Receiver requested Listing Proposals from Cushman & Wakefield ("**C&W**") and CBRE Land Services Group ("**CBRE**").

5. The Receiver entered into a Listing Agreement for the sale of the Property (the "**Listing Agreement**") with C&W on June 3, 2021, for a transparent sales process consisting of a modified tender process with a set bid date, unpriced offering to the market and international marketing exposure.

6. C&W created a data room that contained sales and marketing materials that were accessible online and were emailed to a large number of prospective purchasers and/or their representatives. C&W engaged in over 24 months of active marketing including an advertisement in the Globe and Mail and sending out weekly emails. The Property was

also marketed on C&W's website. These marketing efforts elicited several enquiries and resulted in the signing of 95 non-disclosure agreements.

7. The Receiver then entered into an Amended Listing Agreement for the sale of the Property (the "**Amended Listing Agreement**") with C&W on November 17, 2021, for a specified listing price of \$34,900,000.00, as opposed to the original unpriced tender process. The Listing Agreement was further renewed on each of May 10, 2022, November 11, 2022, February 8, 2023, June 2, 2023 and September 8, 2023.

8. The Receiver was in receipt of four offers throughout the entire sales process, with the Purchaser's offer being the only one considered worth pursuing.

9. Further to the marketing process, the Receiver was in receipt of the Purchase Agreement from Crossroads Christian Communications Incorporated relative to real property located at 1295 North Service Road, Burlington, Ontario in respect of which Meridian Credit Union Limited has first mortgage security. After payment of the priority charges particularised in paragraph 23 below, professional fees, and closing costs, Meridian Credit Union Limited will suffer a shortfall.

10. The Purchase Agreement provides a selling price and proceeds of realization from the Property that is substantially greater than the valuations obtained. However, as noted, the first secured creditor will suffer a shortfall.

11. The Receiver is of the opinion that the terms and conditions contained within the Sale Agreement are commercially reasonable and that the purchase price is market value for the Property.

12. The Purchase Agreement between the Receiver and Crossroads Christian Communications Incorporated is conditional upon, among other things, Court approval.

13. The completion date for the Purchase Agreement is 10 days after the date upon which the Court approves the Purchase Agreement and provides for a vesting order with respect to the same.

Request for Protective Sealing Order

14. The Receiver is of the view that a protective sealing order should issue in respect of the items in the Confidential Appendices. Each of these appendices contains commercially sensitive information which could prejudice the Debtor's stakeholders in the event that the Transaction is not completed.

Approval of the Receiver's Accounts and Interim Statement of Receipts and Disbursements

15. The Appointment Order requires the Receiver and its legal counsel to pass its accounts from time to time.

16. The Receiver has properly incurred fees and disbursements during the period March 18th, 2021, to and including November 10th, 2023 in the amount of \$625,469.06, not inclusive of HST.

17. The legal expense incurred by the Receiver for services provided by its legal counsel, SimpsonWigle LAW LLP ("**SW**") for the period March 17, 2021 to February 15, 2023 in the amount of \$48,934.81 and the period of February 16, 2023 to November 21,

2023, in the amount of \$11,396.17, inclusive of HST, have been properly incurred as detailed in the First Report.

18. The Receiver is of the view that all of the work set out in SW's accounts was carried out by its lawyers and clerks and was necessary and reasonable.

19. The Receiver seeks the approval of the Receiver's Fees and the Counsel Fees and that the Receiver be authorized to pay the same.

20. The Receiver seeks approval of the Receiver's Interim Statement of Receipts and Disbursements as detailed in the First Report.

Borrowings by the Receiver

21. The Receiver borrowed \$200,000.00 from the Applicant and issued a certificate in that regard. The Receiver proposes to repay the Applicant from proceeds of realization from the sale of the Property.

Receiver's Proposed Distribution

22. The prior CCAA proceedings involved orders providing for and addressing the following charges which the Receiver will address as ordered and as particularised below:

23. Accordingly, the Receiver is proposing to make a distribution (after payment of the fees and disbursements of both the Receiver and the Receiver's Counsel, as outlined in this First Report) as follows:

- i. To the Former Monitor and Stikeman Elliott LLP in the amount of \$300,000.00, on account of outstanding amounts due under the Administration Charge;
- ii. To Meridian in the amount of \$7,108,000.00, or such other party as Meridian might direct, for the repayment of the DIP Charge, plus interest thereon, in accordance with the DIP Financing Agreement;
- iii. To Meridian, or such other party as Meridian might direct, for the repayment of the Borrowings, pursuant to Receiver Certificate No. 1 in the amount of \$200,000.00, plus interest thereon, in accordance with Receiver's Certificate No. 1 that was issued to Meridian;
- iv. To CRA for payment of the Source Deduction Trust Claim in the amount of \$12,323.24;
- v. To Service Canada for payment of the Priority Portion of the WEPP claim in the amount of \$9,652.80; and,
- vi. Balance of any and all funds available in the Debtor's estate to Meridian, on account of the Debtors' secured indebtedness to Meridian. It is anticipated that Meridian will suffer a shortfall, and accordingly there will be no funds available for distribution for subsequent mortgage holders and any other stakeholders.

24. A title search conducted with respect to the Real Property on January 18, 2021 has indicated the following registrations on title in order of priority:

- i. A first mortgage in the principal amount of \$23,000,000.00 held by Meridian, which was initially charged and registered on March 26, 2018. The Receiver has been provided with a payout statement from Meridian for the first mortgage dated November 17th, 2023, which shows a balance outstanding of \$22,309,199.74. The Meridian payout statement (the "**Meridian Payout Statement**") is attached to this First Report as **Appendix "20"**.

- ii. Meridian registered a second charge with respect to the Debtor-in-Possession Financing with respect to the CCAA proceedings in the amount of \$7,180,000.00 which was initially charged and registered on March 12, 2020.
- iii. A second mortgage in the principal amount of \$4,500,000.00 held by Crossroads Christian Communications Incorporated, which comprises an initial charge, registered on March 26, 2018.
- iv. A third mortgage in the principal amount of \$3,250,000.00 held by Bridging Finance Inc., which comprises an initial charge registered on March 26, 2018.

Receiver's Proposed Reserve

25. The Receiver anticipates a deficit in the estate after the above distribution. The Receiver proposes to retain proceeds to fund its further activities and contemplates the need for a reserve of \$50,000 in respect of work to complete the administration.

4. Such grounds as described in the First Report of the Receiver dated November 21st, 2023.

5. The administration of the receivership of the Debtor has come to an end.

6. Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C-43, as amended.

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

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

1. [The First Report of the Receiver dated November 21, 2023](#), and the appendices annexed thereto.
2. Property subsearch of 1295 North Service Road, Burlington, Ontario.
3. Execution search of 2607380 Ontario Inc.
4. Such further and other evidence as counsel may adduce and this Honourable Court permit.

November 22, 2023

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Lawyers for Crossroads Christian Communications Incorporated

MERIDIAN CREDIT UNION LIMITED
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-and- 2607380 ONTARIO INC.
Respondent

Court File No. CV-21-00659019-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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Lawyers for msi Spergel Inc., in its capacity as Receiver of
the assets, undertakings and properties of 2607380
Ontario Inc.

TAB B

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

MERIDIAN CREDIT UNION LIMITED

Applicants

- and -

2607380 ONTARIO INC.

Respondents

**FIRST REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE RECEIVER OF
2607380 ONTARIO INC.**

November 21, 2023

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APPENDICES

1. Order Terminating CCAA by The Honourable Justice Dietrich, dated March 18, 2021
2. Order Appointing Receiver by The Honourable Justice Dietrich dated March 18, 2021
3. Redacted Listing Proposal of Colliers, dated May 25, 2021
4. Redacted Listing Proposal of Cushman & Wakefield, dated May 25, 2021
5. Redacted Listing Proposal of Avison and Young, May 26, 2021
6. Cushman & Wakefield Listing Agreement, dated June 3, 2021
7. Amended Listing Agreement – Listing Price, dated November 17, 2021
8. Renewed Listing Agreements – Expiry Dates
9. Redacted Crossroads Christian Communications Incorporated Agreement of Purchase and Sale, dated August 22, 2023
10. Crossroads Christian Communications Incorporated Waiver of Conditions, dated October 19, 2023
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12. Canada Revenue Agency Trust Claim for Source Deductions, dated February 8, 2022
13. Canada Revenue Agency Trust Claim for HST, dated April 19, 2022
14. WEPP Statement, dated September 23, 2022
15. Fee Affidavit of Trevor Pringle, Sworn November 17, 2023
16. Fee Affidavit of Rosemary A Fisher, Sworn November 20th , 2023
17. Receiver's Interim Statement of Receipts and Disbursements, dated November 17, 2023
18. Amounts due under CCAA Administrative Charge, dated November 8, 2023
19. Receivers Certificate No. 1, dated March 31, 2021

20. Meridian Payout Statement, dated November 17, 2023
21. Title Search, dated January 18, 2021
22. The City of Burlington Property Tax Statement, dated November 10, 2023

CONFIDENTIAL APPENDICES

1. Unredacted Crossroads Agreement of Purchase and Sale, dated August 22, 2023
2. Appraisal Reports for 1295 North Service Road, Burlington, ON
3. Unredacted Listing Proposal of Colliers, dated May 25, 2021
4. Unredacted Listing Proposal of Cushman & Wakefield, dated May 25, 2021
5. Unredacted Listing Proposal of Avison and Young, dated May 26, 2021
6. Cushman & Wakefield Sales Report, dated September 3, 2021
7. Cushman and Wakefield Bid Summary, as of September 14, 2021
8. Updated Valuation from Antec Appraisal Group, dated November 1, 2023

I. APPOINTMENT AND BACKGROUND

1. This first report ("**First Report**") is filed by msi Spergel inc. ("**Spergel**") in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of 2607380 Ontario Inc. ("**2607**").
2. 2607380 Ontario Inc. is an Ontario corporation that owns and operated a 140,000 square foot multi-tenanted commercial building that rents out space for long term, short term, studio and event spaces, located at 1295 North Service Road, Burlington, ON ("**1295 Real Property**" or "**Real Property**").
3. Shawn Saulnier ("**Saulnier**") is the President and Chief Executive Officer of 2607.
4. On February 25, 2020, the Ontario Superior Court of Justice issued an initial order granting 2607 protection under the *Companies' Creditors Arrangement Act* ("**CCAA**"). Pursuant to the Initial Order, Richter Advisory Group Inc. ("**Richter**") was appointed as monitor of the Company. The purpose of the CCAA proceedings was to allow 2607 to finalize the renovations at 1295 and to complete a Sale and Investment Solicitation Process ("**SISP**").
5. Under the CCAA proceedings the renovations were completed and a SISP was undertaken but no sufficient offers were received, or refinancing took place. The CCAA proceedings were terminated on March 18, 2021 by Order of the Honourable Justice Dietrich. A copy of the Termination Order is attached to this First Report as **Appendix "1"**.
6. Spergel was subsequently appointed as the Receiver over all of the assets, undertakings and properties of 2607 ("**Property**") by the Order of the Honourable Justice Dietrich of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on March 18, 2021 ("**Receivership Order**"). A copy of the Receivership Order is attached to this First Report as **Appendix "2"**.
7. The Receiver retained Simpson Wigle Law LLP (the "**Receiver's Counsel**") as its independent legal counsel.

II. PURPOSE OF THIS FIRST REPORT AND DISCLAIMER

8. The purpose of this First Report is to report to the Court regarding the Receiver's activities and conduct since the Receiver's appointment on March 18, 2021, and to seek Orders from this Court:
- i. Approving this First Report of the Receiver dated November 21, 2023 and the appendices thereto (the "**First Report**") and the activities of the Receiver described therein;
 - ii. approving the Receiver's Statement of Receipts and Disbursements as at November 17, 2023;
 - iii. approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale dated August 22, 2023 (the "**Sale Agreement**" or "**CCCI APS**") between Crossroads Christian Communications Incorporated (the "**Purchaser**" or "**CCCI**") and the Receiver for the purchase and sale of a property located at 1295 North Service Road, Burlington, Ontario (the "**Purchased Property**") and attached as **Confidential Appendix "1"** to the First Report and authorizing the Receiver to do all things and execute all documentation necessary to complete the transaction contemplated therein;
 - iv. vesting the right, title and interest of the Debtor in the Property in and to Crossroads Christian Communications Incorporated (the "**Purchaser**"), free and clear of encumbrances;
 - v. permitting, consequent to the request of the senior secured creditor Meridian Credit Union Limited ("**Meridian**"), the Receiver to assign the Debtor into bankruptcy and to accept an appointment as the Trustee in Bankruptcy in the Estate of the Debtor;
 - vi. sealing the Confidential Appendices to the First Report until the completion of the Transaction or further Order of this Honourable Court;
 - vii. approving the distribution of the net proceeds of sale of the assets and real property of 2607380 Ontario Inc. and authorizing and directing the Receiver

to proceed to make the distributions as recommended in the Receiver's First Report;

- viii. an Order approving the Receiver's fees, and a projected fee accrual, for the period of up to and including December 31st, 2022 in the amount of \$443,923.81 and the period from January 1st, 2023 to August 31st, 2023 in the amount of \$133,050.16 and the period from September 1st, 2023 to November 10th, 2023 in the amount of \$48,495.09, all of the foregoing being inclusive of HST, as well as authorizing the Receiver to make payment of such amounts from the proceeds;
 - ix. an Order approving the legal fees and projected fee accrual of SimpsonWigle LAW LLP, lawyers for the Receiver, for the period of March 17th, 2021 to February 15th, 2023 in the amount of \$48,934.81 and the period of February 16th, 2021 to November 20th, 2023 in the amount of \$11,914.80, all of the foregoing being inclusive of HST, as well as authorizing the Receiver to make payment of such amounts to SimpsonWigle LAW LLP from the proceeds;
 - x. an Order authorizing the Receiver to make payment of any priority payables and all costs to complete the administration of the receivership from the sale proceeds;
 - xi. providing for the discharge and release of Spergel as Receiver of the assets, undertakings, and properties of the Debtor upon payment of the amounts referenced herein and upon the Receiver filing the Certificate certifying that it has completed the activities detailed in the Report; and,
 - xii. such further and other relief as counsel may advise and this Court may permit.
9. The Receiver will not assume responsibility or liability for losses incurred by the reader due to the circulation, publication, reproduction, or use of this First Report for any other purpose.
10. In preparing this First Report, the Receiver has relied upon certain information provided to it by the Debtors and or its principals. The Receiver has not performed

an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information.

11. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

III. ACTIONS OF THE RECEIVER

12. Immediately upon its appointment, the Receiver directly or through Counsel attended to the following:
 - i. secured possession of the premises and dealt with all necessary maintenance and repairs where applicable;
 - ii. opened a dedicated trust account for the receivership entity and dealt with existing bank accounts;
 - iii. retained the 2607 staff as independent contractors to assist the Receiver with the day-to-day management, ongoing leasing, marketing, and safeguarding of the property;
 - iv. arranged for the registration of the Receiver's interest on the title to real property, where applicable;
 - v. communicated with tenants with respect to occupation of the real property and instructed said tenants to pay all arrears and future rent to the Receiver which continues to date;
 - vi. regularly attending at the premises to conduct inspections and deal with any operational issues;
 - vii. arranging and managing ongoing supplier relationships and utility accounts;
 - viii. overseeing the ongoing marketing and approval of any short-term property rentals;

- ix. monitoring, approving, and arranging payment for the ongoing operating expenses;
- x. monitoring, depositing, and posting rental payments to the Receiver's trust account;
- xi. monitoring and preparing a monthly cash-flow statement, statements of receipts and disbursements, and monthly rent rolls;
- xii. verifying and maintaining proper licensing with respect to the premises including fire safety and elevator operations;
- xiii. arranged to institute COVID-19 protocols to safeguard the health of the tenants and various parties attending at the premises;
- xiv. arranged for the funding of the ongoing operations and the issuance of the Receiver Certificate;
- xv. arranged for the continuation of various insurance policies in the name of the Receiver;
- xvi. arranged for 24/7 security guards to monitor and protect the real property;
- xvii. overseeing the daily, weekly, monthly, and annual maintenance requirements for the property including the HVAC systems, landscaping, elevator, and equipment;
- xviii. discussions and communications with the City of Burlington concerning payment arrangements with respect to the outstanding property taxes;
- xix. entered into a listing agreement with Cushman & Wakefield dated June 3, 2021;
- xx. assisted Cushman & Wakefield with the compilation of information for the data room for the sale process;
- xxi. managed the sale process in conjunction with Cushman & Wakefield as detailed in this First Report;
- xxii. communicated with the various stakeholders including unsecured creditors throughout the receivership;

- xxiii. during the 32-months of operations, administered the various needs for, and addressed any issues occasioned by, eight long term lease tenants, eighty-seven co-working members, twenty-two event rentals, five commercial studio shoots and four film productions;
- xxiv. notified the office of the Superintendent of Bankruptcy of its appointment as Receiver;
- xxv. prepared and filed all documents mandated by the *Bankruptcy and Insolvency Act.*; and
- xxvi. communicated with the Canada Revenue Agency (“**CRA**”) with respect to setting up the Receiver’s Harmonized Sales Tax account and with respect to CRA’s trust exam.

IV. **SALES PROCESS**

- 13. Pursuant to the terms of the Receivership Order, the Receiver was empowered and authorized to, among other things, market any or all of the Debtors’ assets, including advertising and soliciting offers in respect of the assets and negotiating such terms and conditions of sale as the Receiver, in its discretion, deemed appropriate.
- 14. The sole asset of 2607 is a commercial building located at 1295 North Service Road, Burlington, Ontario.
- 15. The Receiver engaged the services of CBRE Limited (“**CBRE**”) and Antec Appraisal Group (“**Antec**”) to attend and conduct full narrative appraisals of the 1295 Real Property. The Receiver obtained appraisals in relation to the 1295 Real Property from CBRE on April 29th, 2021 and from Antec on April 27th, 2021. Copies of the appraisal reports are attached to this First Report as **Confidential Appendix “2”**.
- 16. The Receiver requested sales and marketing proposals from three GTA commercial real estate brokers, Colliers International (“**Colliers**”), Cushman & Wakefield (“**Cushman**”) and Avison Young Commercial Real Estate Services LP

(“**Avison Young**”). Copies of the sales and marketing proposals with valuations redacted are attached to this First Report as **Appendices “3, 4 and 5”**. Unredacted copies of the sales and marketing proposals are attached to this First Report as **Confidential Appendices “3, 4 and 5”**.

17. The Receiver entered into an MLS Listing Agreement with Cushman dated June 3, 2021 at a list price of \$1.00 (the “**1295 Listing Agreement**”). A copy of the 1295 Listing Agreement is attached to this First Report as **Appendix “6”**.
18. The sales process (“**Sale Process**”) was designed to ensure that the marketing process was fair and reasonable, and that prospective interested parties had the ability to make an offer to purchase the 1295 Real Property.
19. The principal elements of the Sale Process were as follows:
 - a. A transparent unpriced tender process with a bid deadline date;
 - b. As soon as was reasonably possible, Cushman distributed marketing material notifying prospective purchasers of the existence of the Sale Process and listed the property on the Multiple Listing Service (“**MLS**”), inviting prospective purchasers to express their interest in making an offer in respect of the 1295 Real Property, pursuant to the terms of the Sale Process;
 - c. Potential bidders that wished to commence due diligence would be required to execute a non-disclosure agreement (“**NDA**”);
 - d. Cushman in conjunction with the Receiver prepared a confidential information memorandum (“**CIM**”), which would provide, among other things, information considered relevant to the Sale Process. The CIM was sent to each potential bidder;
 - e. The Receiver and Cushman would give each bidder access to the due diligence materials and information relating to the Real Property;

- f. Due diligence access included access to an electronic data room (“**Data Room**”), on-site inspections, and other matters which a potential bidder may reasonably request and which the Receiver may agree;
 - g. A binding Agreement of Purchase and Sale (“**APS**”), based on a form of APS provided by the Receiver, was required to be submitted in writing to the Receiver by no later than September 10th, 2021 (“**Bid Deadline**”);
- 20. Cushman widely marketed the subject real property to garner maximum interest and multiple offers to purchase by the set Bid Deadline date of September 10th, 2021. A copy of a Marketing Update Report issued by Cushman detailing their efforts, dated September 3, 2021 is attached to this First Report as **Confidential Appendix “6”**.
- 21. Multiple offers were received by Cushman with respect to the 1295 Real Property. Attached to this First Report as **Confidential Appendix “7”** is a comparative summary of Offers received by the set bid deadline date.
- 22. The Receiver expended efforts to negotiate with one of the bidders, with negotiations resulting in the Receiver accepting their conditional offer on September 27, 2021 (the “**Offer**”). The Offer provided for a 45-day due diligence period. On November 9, 2021, the purchaser terminated the Agreement and Purchase of Sale as they were not able to fulfil the conditions required to complete the purchase.
- 23. After consultation with various stakeholders, the Receiver amended the listing agreement on November 17th, 2021 with Cushman & Wakefield with a listing price of \$34,900,000.00 and remarketed the property. Attached to this First Report as **Appendix “7”** is a copy of the amended listing agreement. The listing agreement was also renewed with Cushman & Wakefield on May 10, 2022, November 11, 2022, February 8, 2023, June 2, 2023 and September 8, 2023. Attached to this First Report as **Appendix “8,”** are copies of the listing agreement renewals.
- 24. In August 2023, the Receiver received an agreement of purchase of sale from Crossroads Christian Communications Incorporated (“**CCCI**”). Accordingly, the

Receiver entered negotiations with CCCI and executed a conditional agreement of purchase of sale on August 22, 2023 (“**CCCI APS**”). CCCI waived their APS conditions on October 19, 2023. A redacted copy of the CCCI APS is attached to this First Report as **Appendix “9”** and the un-redacted copy is attached as **Confidential Appendix “1”**, as noted above. Attached to this First Report as **Appendix “10”** is a copy of the CCCI waiver of conditions, dated October 19, 2023.

25. Considering changing market conditions and the amount of time that has passed, the Receiver engaged Antec Appraisal Group to provide an updated valuation on 1295 North Service Road. Attached to this First Report as **Confidential Appendix “8”** is a copy of Antec’s updated appraisal report dated November 1, 2023.
26. Over the course of the 2-year sale process Cushman and Wakefield fielded 131 inquiries about the real property, 95 Non-Disclosure Agreements were executed, 17 tours were provided to potential bidders and a total of 4 offers were received; attached to this First Report as **Appendix “11”** is a copy of Cushman’s sale process summary.
27. The Receiver is of the view that the sale process was conducted in a commercially reasonable manner and that the market was extensively canvassed pursuant to Cushman’s marketing efforts, as detailed above. Further, the Receiver is of the opinion that the efforts of Cushman through the listing of the Real Property on MLS and their internal and external network have provided sufficient exposure of the Real Property to the market.
28. It is the opinion of the Receiver that the terms and conditions contained in the CCCI APS are commercially reasonable in all respects and that the purchase price in the CCCI APS is above market value for the Real Property, as evidenced by the updated appraisal value and is the best outcome in the circumstances. The Real Property is being sold on an “as is, where is” basis.
29. The Receiver has consulted with Meridian in respect to the CCCI APS and Meridian supports the completion of the sales transaction. Meridian, as the senior secured lender, has a mortgage indebtedness well in excess of the market value

of the property. As a result, Meridian will experience a significant shortfall with respect to their security.

30. Therefore, the Receiver recommends that the Court approve the CCCI APS. If the Transaction is approved, it will close in accordance with the terms of the CCCI APS.
31. Accordingly, the Receiver is seeking, among other things, an Approval and Vesting Order in respect of the Transaction contemplated by the CCCI APS.

V. REQUEST FOR A SEALING ORDER

32. The Receiver is seeking a sealing order in respect of the Confidential Appendices to this First Report as they each contain commercially sensitive information, the release of which prior to the completion of the sale transaction with CCCI would be prejudicial to the stakeholders of 2607.

VI. CANADA REVENUE AGENCY

33. The Receiver has worked with Canada Revenue Agency (“**CRA**”) on completing a trust exam on 2607’s Harmonized Sales Tax (“**HST**”) and Source Deduction accounts to verify if any deemed trust claims. On February 8, 2022 the Receiver received CRA’s deemed trust claim for Source Deductions in the amount of \$12,323.24. Attached to this First Report as **Appendix “12”** is a copy of CRA’s deemed trust claim for the Source Deductions. This will rank ahead of the secured creditors due to the current assets collected by the Receiver.
34. On April 19, 2022 the Receiver received CRA’s deemed trust claim for the HST portion in the amount of \$199,006.59. Attached to this First Report as **Appendix “13”** is a copy of CRA’s deemed trust claim for the HST. This claim will rank as unsecured should the relief be granted in paragraph 8.(v.) above, to place 2607 into Bankruptcy.

VII. WAGE EARNER PROTECTION PROGRAM

35. The Receiver has worked with Service Canada in the administrator of the Wage Earner Protection Program (“WEPP”). There were 9 employees eligible under the program. As of September 23, 2022 the WEPP priority claim is \$9,652.80. Attached to this First Report as **Appendix “14”** is a copy of the most recent WEPP statement. This will rank ahead of the secured creditors, with the exception of Canada Revenue Agency’s Deemed Trust claim on Source Deductions.

VIII. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL

36. Attached to this First Report as **Appendix “15”** is the Affidavit of Trevor Pringle, sworn November 17, 2023, (the “**Pringle Affidavit**”) which incorporates, by reference a copy of the time dockets pertaining to the receivership 2607 for the period to and including November 10, 2023.
37. The fees and disbursements of the Receiver in respect of the receivership of 2607 for the period to and including November 10, 2023 fees of \$625,469.06 (inclusive of HST and disbursements) were charged by Spergel as detailed in the Pringle Affidavit. This represents a total of 2,607.9 hours at an effective rate of \$211.96 per hour;
38. Attached to this First Report as **Appendix “16”** is the Affidavit of Rosemary A. Fisher, sworn November 20th, 2023, (the “**Fisher Affidavit**”) which incorporates, by reference a copy of the time dockets pertaining to the period from March 18, 2021 to November 20, 2023 (the “**Simpson Wigle Fee Period**”).
39. The fees and disbursements of Simpson Wigle in respect of the Simpson Wigle Fee Period amount to \$60,849.61 (inclusive of HST and disbursements), as detailed in the Fisher Affidavit.
40. The Receiver has reviewed the Receiver’s Counsel’s accounts and given the Receiver’s involvement in this matter, the Receiver is of the view that all the work set out in Receiver’s Counsel’s accounts was carried out and was necessary. The hourly rates of the lawyers who worked on this matter were reasonable in light of

the services required, and the services were carried out by lawyers with the appropriate level of experience.

IX. FEE ACCRUAL

41. Provided there is no opposition to the relief sought in this First Report and that such relief is granted, the Receiver estimates that the additional fees for itself and the Receiver's Counsel necessary to complete the proceedings will be \$40,000.00 and \$10,000.00 (not including HST and disbursements), respectively (collectively the "**Fee Accrual**").

X. RECEIVER'S STATEMENTS OF RECEIPTS AND DISBURSEMENTS

42. Attached to this First Report as **Appendix "17"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements as of November 17, 2023.

XI. PROPOSED DISTRIBUTION

43. Pursuant to the CCAA Termination and subsequent Appointment Order the priority of charges under the Receivership are as follows:
- (a) First - Administrative Charge
 - (b) Second – Receiver's Charge;
 - (c) Third – DIP Charge; and,
 - (d) Fourth – Receiver's Borrowing Charge.
44. As of November 8, 2023, Richter Advisory Group Inc. (the "**Monitor**") and Stikeman Elliott LLP which are subject to the CCAA Administrative Charge have an outstanding balance of \$333,414.26, attached to this First Report as **Appendix "18"** is copy of their payout statement. The Administrative Charge distribution is limited to \$300,000.00.

45. Pursuant to the Appointment Order, the Receiver borrowed monies from Meridian in the principal amount of \$200,000.00 plus interest (the “**Borrowings**”) to fund certain expenses in these proceedings, which funding is secured by the Receiver’s Borrowings Charge, as provided for in the Receivership Order. Attached to this First Report as **Appendix “19”** is a copy of Receiver’s Certificate No. 1 representing the Borrowings to date.
46. A title search conducted with respect to the Real Property on January 18, 2021 has indicated the following registrations on title in order of priority:
- i. A first mortgage in the principal amount of \$23,000,000.00 held by Meridian, which was initially charged and registered on March 26, 2018. The Receiver has been provided with a draft payout statement from Meridian for the total indebtedness dated November 17, 2023, which shows a balance outstanding of \$31,405,037.51 with interest accrued to December 19, 2023. The Meridian draft payout statement (the “**Meridian Payout Statement**”) is attached to this First Report as **Appendix “20”**.
 - ii. Meridian registered a second charge with respect to the Debtor-in-Possession Financing with respect to the CCAA proceedings in the amount of \$7,180,000.00 which was initially charged and registered on March 12, 2020.
 - iii. A second mortgage in the principal amount of \$4,500,000.00 held by Crossroads Christian Communications Incorporated, which comprises an initial charge, registered on March 26, 2018.
 - iv. A third mortgage in the principal amount of \$3,250,000.00 held by Bridging Finance Inc., which comprises an initial charge registered on March 26, 2018.
47. Attached to this First Report as **Appendix “21”** is a copy of the title search conducted on January 18, 2021.
48. The Receiver requested that Simpson Wigle review the security held by Meridian. The Receiver has received the opinion from Simpson Wigle that, subject to

customary assumptions and qualifications for opinions of this nature, the security interests in favour of Meridian are valid and enforceable in the Province of Ontario.

49. The City of Burlington (“**Burlington**”) would have a priority charge to the existing mortgages in respect of property tax arrears that have accrued in respect of the Real Property. During the Receivership, the Receiver has made arrangements to pay the property taxes monthly and at the time of this report the property taxes are paid up to date. Attached to this First Report as **Appendix “22”** is a copy of the property tax statement issued by Burlington on November 10, 2023, confirming no balance is currently owed to the City of Burlington.
50. Accordingly, the Receiver is proposing to make a distribution (after payment of the fees and disbursements of both the Receiver and the Receiver’s Counsel, as outlined in this First Report) as follows:
 - i. To the Former Monitor and Stikeman Elliott LLP in the amount of \$300,000.00, on account of outstanding amounts due under the Administration Charge;
 - ii. To Meridian in the amount of \$7,180,000 plus interest, or such other party as Meridian might direct, for the repayment of the DIP Charge, plus interest thereon, accordance to the DIP Financing Agreement;
 - iii. To Meridian, or such other party as Meridian might direct, for the repayment of the Borrowings, pursuant to Receiver Certificate No. 1 in the amount of \$200,000.00, plus interest thereon, in accordance with Receiver’s Certificate No. 1 that was issued to Meridian;
 - iv. To CRA for payment of the Source Deduction Trust Claim in the amount of \$12,323.24;
 - v. To Service Canda for payment of the Priority Portion of the WEPP claim in the amount of \$9,652.80; and,
 - vi. Balance of any and all funds available in the Debtor’s estate to Meridian, on account of the Debtors’ secured indebtedness to Meridian. It is anticipated that Meridian will suffer a shortfall, and accordingly there will be no funds

available for distribution for subsequent mortgage holders and any other stakeholders.

XII. DISCHARGE OF THE RECEIVER

51. Subsequent to the date of this First Report, and prior to the Receiver's discharge, the Receiver proposes to attend to the following:
- i. closing the Transaction;
 - ii. the payment of distributions as identified above;
 - iii. other residual and/or administrative matters in connection with Spergel's appointment as Receiver; and
 - iv. filing of the final Receiver's certificate of discharge.

XIII. RECOMMENDATION

52. For the reasons outlined in this First Report, the Receiver respectfully requests that the Court grant the relief specified at Paragraph 8 of this First Report.

Dated at Hamilton this 21st day of November, 2023.

msi Spergel inc.

solely in its capacity as the Court-appointed
Receiver of 2607380 Ontario Inc. and not in its personal
or corporate capacity.

Per:



Trevor B. Pringle, CFE, CIRP, LIT
Partner

Title	AANUVO First Report to Court
File name	AANUVO - First Report of Receiver.pdf
Document ID	4738a5bcf9a52e5b071c8a17f173f8f8bd5fa8fd
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



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14:37:08 UTC-5

Sent for signature to Trevor Pringle (tpringle@spergel.ca)
from tpringle@spergel.ca
IP: 104.171.204.20



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14:38:39 UTC-5

Viewed by Trevor Pringle (tpringle@spergel.ca)
IP: 168.151.124.126



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Signed by Trevor Pringle (tpringle@spergel.ca)
IP: 104.171.204.20



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The document has been completed.

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	THURSDAY, THE 18 TH DAY
)	
JUSTICE DIETRICH)	OF MARCH, 2021

**IN THE MATTER OF THE COMPANIES/ CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF
2607380 ONTARIO INC.**

Applicant

ORDER

(Termination of CCAA Proceeding)

THIS MOTION made by Meridian Credit Union Limited ("**Meridian**") for an Order amending the Order of Justice Conway dated February 25, 2020 to permit Meridian to commence and proceed with its application (the "**Application**") to appoint msi Spergel Inc. ("**Spergel**") as receiver and manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties (the "**Property**") of 2607380 Ontario Inc. ("**260**") and terminating the CCAA proceedings commenced by 260, was heard this day by judicial videoconference via Zoom due to the COVID-19 emergency.

ON READING the affidavit of Bernhard Huber sworn March 16, 2021 and the Exhibits thereto and on hearing the submissions of counsel for Meridian, counsel for the 260, and those other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Heather Fisher sworn March 16, 2021, and on reading the consent of Spergel to act as the Receiver,

APPROVAL OF MONITOR'S FEES AND ACTIVITIES

1. **THIS COURT ORDERS THAT** the Fifth Report, and the Monitor's activities as set out in the Fifth Report are hereby approved, provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or use in any way such approval.
2. **THIS COURT ORDERS** that the fees and disbursements of the Monitor, as described in the Fifth Report and set out in the affidavit of Paul van Eyk sworn March 17, 2021 are hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of Bennett Jones LLP ("**Bennett Jones**"), counsel to the Monitor, as described in the Fifth Report and set out in the affidavit of Raj Sahni sworn March 17, 2021 are hereby approved.

TERMINATION OF CCAA PROCEEDINGS

4. **THIS COURT ORDERS AND DECLARES** that the proceedings of the Debtor under the *Companies Creditors' Arrangement Act* (Canada) (the "**CCAA Proceedings**") are hereby terminated.
5. **THIS COURT ORDERS AND DECLARES** that the Director's Charge as defined in the Amended and Restated Initial Order of Justice Conway dated March 6, 2020 (the "**Amended and Restated Initial Order**") granted in the CCAA Proceedings is hereby terminated, discharged and released.

DISCHARGE OF MONITOR

6. **THIS COURT ORDERS AND DECLARES** that Richter Advisory Group Inc. ("**Richter**") is hereby discharged from its duties as Monitor in the CCAA Proceedings and released from all claims relating to its activities as Monitor, whether before or after the date of this Order.
7. **THIS COURT ORDERS** that, in addition to the protections in favour of the Monitor as set out in the Amended and Restated Initial Order, in any other Order of this Court in

the CCAA Proceedings or the CCAA, Richter, whether in its capacity as Monitor or otherwise, Bennett Jones, and their respective affiliates and officers, directors, partners, employees and agents (collectively, the "**Released Parties**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the CCAA Proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

8. **THIS COURT ORDERS** that notwithstanding its discharge as provided for above, the Monitor is hereby authorized, directed and empowered to perform such functions and provide such services to the Receiver as the Receiver may reasonably and expressly require to complete all matters incidental to the termination of these CCAA Proceedings and the transition to receivership (the "**Transition Services**") and that the Receiver shall pay the Monitor its reasonable fees and disbursements, in each case at the Monitor's standard rates and charges for the provision of these Transition Services.

9. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against Richter in any way arising from or related to its capacity or conduct as Monitor except with prior leave of this Court on at least seven (7) days' prior written notice to Richter and upon further order securing, as security for costs, the full indemnity costs of the Monitor in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

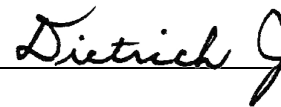
10. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, nothing contained in this Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor at law or pursuant to the Amended and Restated Initial Order.

PRIORITY OF CHARGES

11. **THIS COURT ORDERS** that the Administration Charge and the DIP Charge previously granted by this Court in the CCAA Proceedings shall continue to charge the Property and the priority of the Administration Charge and the DIP Charge, in relation to the Receiver's Charge and the Receiver's Borrowing Charge granted in the Order made this day in the proceedings identified in the files of the court as Court File No. CV-21-00659019-00CL, shall be as follows:

- (a) First — Administration Charge;
- (b) Second — Receiver's Charge;
- (c) Third – DIP Charge; and
- (d) Fourth — Receiver's Borrowings Charge.

12. **THIS COURT ORDERS** that, following payment by the Receiver to the Monitor of all amounts secured by the Administration Charge, as modified by paragraph 11(a) above, the Monitor shall serve on the Service List, post on the Monitor's website, and file with the Court a certificate substantially in the form attached hereto as Schedule "A" (the "**Admin Charge Certificate**"), and that upon the filing of the Admin Charge Certificate the Administration Charge shall be terminated, discharged and released.

A handwritten signature in cursive script, reading "Dietrich J.", is positioned above a horizontal line.

Schedule "A"

ADMIN CHARGE CERTIFICATE

WHEREAS pursuant to the Order of this Court dated February 25, 2020, Richter Advisory Group Inc. was appointed as the monitor (the "**Monitor**") of the Applicant in the within CCAA proceedings (the "**CCAA Proceedings**");

AND WHEREAS pursuant to the Order of this Court dated March 18, 2021, the CCAA Proceedings were terminated (the "**Termination Order**");

AND WHEREAS paragraph 12 of the Termination Order requires that, upon payment in full of the claims secured by the Administration Charge as amended by the Termination Order, the Monitor shall serve on the service list in the CCAA Proceedings and post on the website established by the Monitor in respect of these proceedings a certificate, signed by the Monitor, certifying same;

AND WHEREAS the Monitor has received an acknowledgement of payment in full of the claims secured by the Administration Charge as amended by the Termination Order;

AND WHEREAS all capitalized terms used but not defined herein shall have the meanings given to them in the Termination Order;

THE MONITOR HEREBY CERTIFIES that:

1. The Monitor has received an acknowledgement of payment in full of the claims secured by the Administration Charge as amended by the Termination Order;
2. Upon the filing of this Monitor's Discharge Certificate the Administration Charge as amended by the Termination Order shall be terminated, discharged, expunged and released.
3. This Certificate is delivered by the Monitor on _____, 2021.

Richter Advisory Group Inc., solely in its capacity as court appointed monitor of the Applicant, and not in its personal capacity or in any other capacity

Per:

Name:

Title:

**IN THE MATTER OF THE COMPANIES/ CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF 2607380 ONTARIO INC.

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

O R D E R

GOWLING WLG (CANADA) LLP

Barristers & Solicitors

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Lawyers for Meridian Credit Union Limited

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	THURSDAY, THE 18th
)	
JUSTICE DIETRICH)	DAY OF MARCH, 2021

B E T W E E N :

MERIDIAN CREDIT UNION LIMITED

Applicant

– and –

2607380 ONTARIO INC.

Respondent

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing *msi Spergel Inc.* ("**Spergel**") as receiver and manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of 2607380 Ontario Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by judicial videoconference via Zoom due to the COVID-19 emergency.

ON READING the affidavit of Bernhard Huber sworn March 16, 2021 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for the Debtor, and those other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Heather Fisher sworn March 16, 2021, and on reading the consent of Spergel to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, and all proceeds thereof (collectively, the "**Property**"), including but not limited to the lands and premises listed in Schedule "B" (the "**Nuvo 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, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's

name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act* or section 31 of the *Ontario Mortgages Act*, as the case may be, shall not be required.

- (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 receivership, 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, including as against Real 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.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons

(as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver

to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way

against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed

shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including but not limited to any illness or bodily harm resulting from a party or parties contracting

COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow 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 (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 "A" 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.

PRIORITY OF CHARGES

25. THIS COURT ORDERS that the Administration Charge and the DIP Charge previously granted by this Court in the proceedings of the Debtor under the *Companies Creditors' Arrangement Act* (Canada) (the "**CCAA Proceedings**"), as modified by the order of this Court in the CCAA Proceedings dated March 18, 2021, shall continue to charge the Property and the priority of the Administration Charge and the DIP Charge, in relation to the Receiver's Charge and the Receiver's Borrowing Charge shall be as follows:

- (a) First — Administration Charge;
- (b) Second — Receiver's Charge;
- (c) Third – DIP Charge; and
- (d) Fourth — Receiver's Borrowings Charge.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<<http://www.spergelcorporate.ca/2607380ontarioinc>>'.

27. 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

28. 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.

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

30. 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.

31. 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.

32. THIS COURT ORDERS that the Applicant shall have its costs of this motion, 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.

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

A handwritten signature in cursive script, reading "Dietrich J", is positioned above a horizontal line.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of 2607380 Ontario Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of _____, 2021 (the "**Order**") made in an action 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 [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of five (5) per cent above the prime commercial lending rate of Meridian Credit Union from time to time.

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

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

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

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

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

DATED the ___ day of _____, 2021.

msi Spergel Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

DESCRIPTION OF REAL PROPERTY

8. The lands and premises municipally described as 1295 North Service Road, Burlington, Ontario:

- **PIN 07127-0265 (LT):** PT LT 10, RCP PL 99, PART 3&7, 20R6963, S/T IN 619045; BURLINGTON

MERIDIAN CREDIT UNION LIMITED
Applicant

and

2607380 ONTARIO INC.
Respondent

Court File No. CV-21-

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

ORDER

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Heather Fisher (#75006L)
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heather.fisher@gowlingwlg.com

Fax: 416-862-7661

Lawyers for the Applicant

TAB 3

Proposal for Real Estate Services

Prepared for msi Spergel Inc



as Court-Appointed Receiver of 2607380 Ontario Inc.



1295
NORTH SERVICE ROAD
BURLINGTON, ONTARIO

PREPARED BY:

COLLIERS INTERNATIONAL

181 Bay Street, Suite 1400
Toronto, ON M5J 2V1

T: +1 416 777 2200

F: +1 416 777 2277



Accelerating success.



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EXECUTIVE SUMMARY

May 25, 2021

Mr. Trevor Pringle, CFE, CIRP, LIT
Partner, Licensed Insolvency Trustee
msi Spergel Inc.
21 King Street West, Suite 1602
Hamilton, Ontario L8P 4W7

It is our understanding that msi Spergel Inc. (Spergel) has been appointed Receiver for the lands located at 1295 North Service Road, Burlington, Ontario (the Property) and that the intent is to maximize the value of the site via a disposition utilizing a modified tender methodology. We are grateful for the opportunity to submit our proposal to maximize value and transaction certainty by acting as realtor and consultant for the disposition of the Property based on the Order from The Honourable Justice Dietrich dated March 18th, 2021.

Your Colliers International (Colliers) connectivity to qualified purchasers and capital markets coupled with 30 years of value maximization and execution management experience equips Spergel with a defensible, transparent and efficient process. Key to maximizing the value of the Property is having a strong understanding of:

- The **current tenants and uses contained** with the Property and **how best to position the current and future anticipated vacancies** to allow create a sustainable and positive cash flowing asset while enhancing value
- Which **industries and tenants** would best
 - o Fit the configuration(s) of the building
 - o Find value in the Property's infrastructure of power and telecommunications
- Market research including **transaction sales and current market conditions**
- How best to provide **debt and equity financing** to potential purchasers
- **Zoning and applicable allowed uses**
- All **planning policies** currently in-force and in-draft
- The **condition of the building** and **environmental site assessment** which the August 2020 reports by Pinchin Ltd. suggests are sound

Marketing Launch Date – Decisions involving launch timing is more singularly critical to value maximization now than ever before, including dating back to the economic challenges of the early 90's, the dot-com bust in 2000 and the great financial depression of 2008. Month(s) to consider (all 2021):

Month	Pro's	Con's
June	<ul style="list-style-type: none"> Theoretically mitigates expense burn (vs. later months) The earlier in a calendar year, the more overall commercial real estate (CRE) dedicated capital there is to deploy 	<ul style="list-style-type: none"> Pandemic related restrictions still active which limit property tours Office user activity continues to be weak Investors are thinking about summer months and are fatigued by the first 5+ months of 2021 Assembling due diligence and creating unique marketing material would be rushed
July & August	<ul style="list-style-type: none"> Theoretically mitigates expense burn (vs. later months) Leaves ample time throughout June to assemble due diligence items and create unique marketing platform and related materials The earlier in a calendar year, the more overall commercial real estate (CRE) dedicated capital there is to deploy 	<ul style="list-style-type: none"> Assembly of individuals within various investment committee's is challenged due to holidays Mind share and overall focus is inconsistent
September	<ul style="list-style-type: none"> Majority of investors will have had their second vaccination Pandemic related restrictions will have been significantly loosened All due diligence, marketing and pre-launch related exercises will have been completed well in advance, allowing for launch immediately following Labour Day weekend Office user market will have had further time to improve Investors will be re-energized and focused leading to heightened overall interest and activity 	<ul style="list-style-type: none"> Extended period of management of the asset and related expenses No guaranteed metrics on a delta in pricing vs. June launch

Our valuation analysis is created by utilizing our team skills and experience related to the components noted above. We have outlined a specific and targeted marketing plan, which will create maximum value while reducing transaction risk. Based on our underwriting and the information received to date, our estimate of range of value for the Property is between [REDACTED]



Ian Gragtmans
Executive Vice President, Broker



Steve Keyzer
Senior Vice President

PROPERTY OVERVIEW

1295 NORTH SERVICE ROAD, BURLINGTON

PIN: 07127-0265 (LT)

LEGAL DESCRIPTION: PT LT 10, RCP PL 99, PART 3&7,
20R6963, S/T IN 619045; BURLINGTON

LOCATION OVERVIEW: LOCATED ON THE NORTH SIDE OF
NORTH SERVICE ROAD AND WEST OF BRANT STREET

FRONTAGE & DEPTH: APPROX. 500 FT & 250 FT

TOTAL LOT SIZE: 4.87 ACRES

BUILDING SIZE: 105,315 SF

ZONING: BC1-44

OFFICIAL PLAN: BUSINESS CORRIDOR



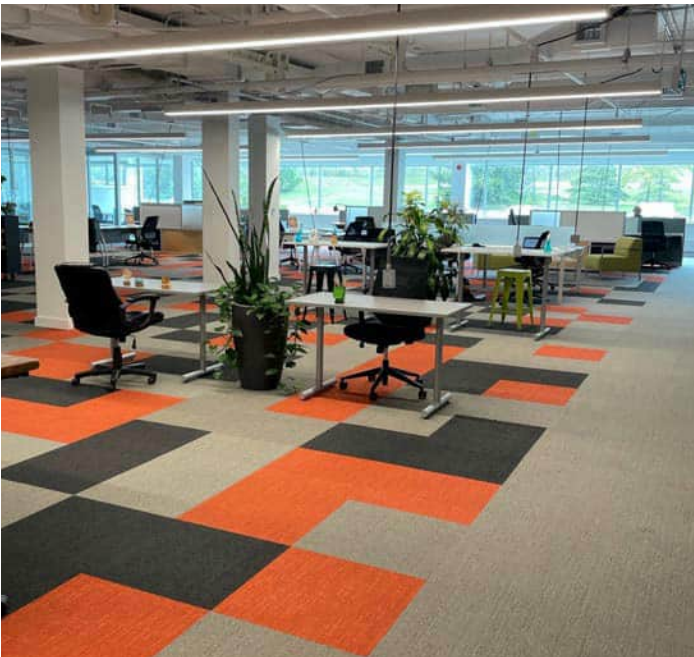
THE PROPERTY

Kerns Rd

N Service Rd

HWY 403

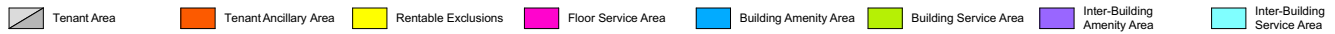
PROPERTY PHOTOS

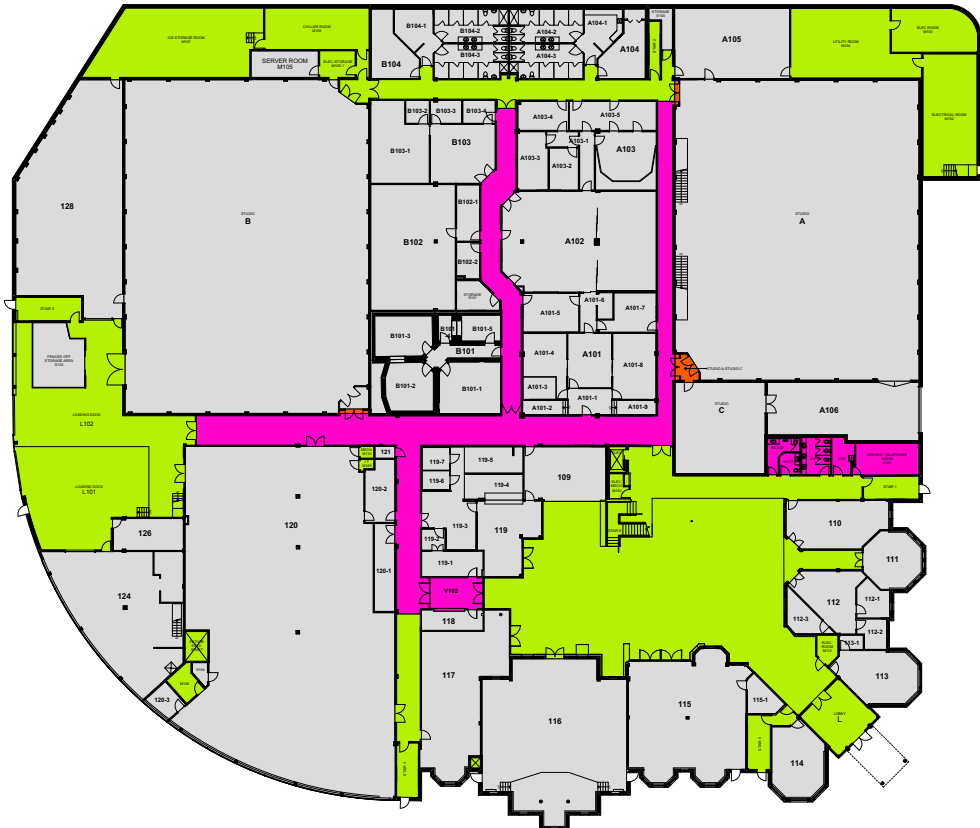




FLOOR PLANS

Floor 01

 Tenant Area Tenant Ancillary Area Rentable Exclusions Floor Service Area Building Amenity Area Building Service Area Inter-Building Amenity Area Inter-Building Service Area

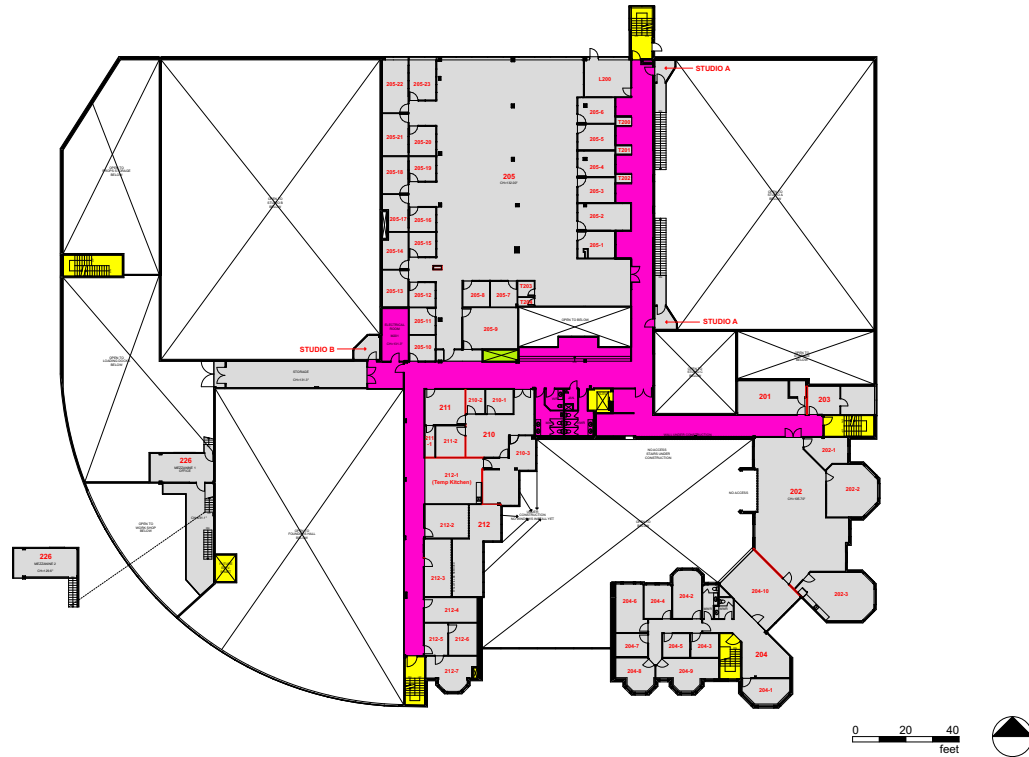


0 21 42
feet



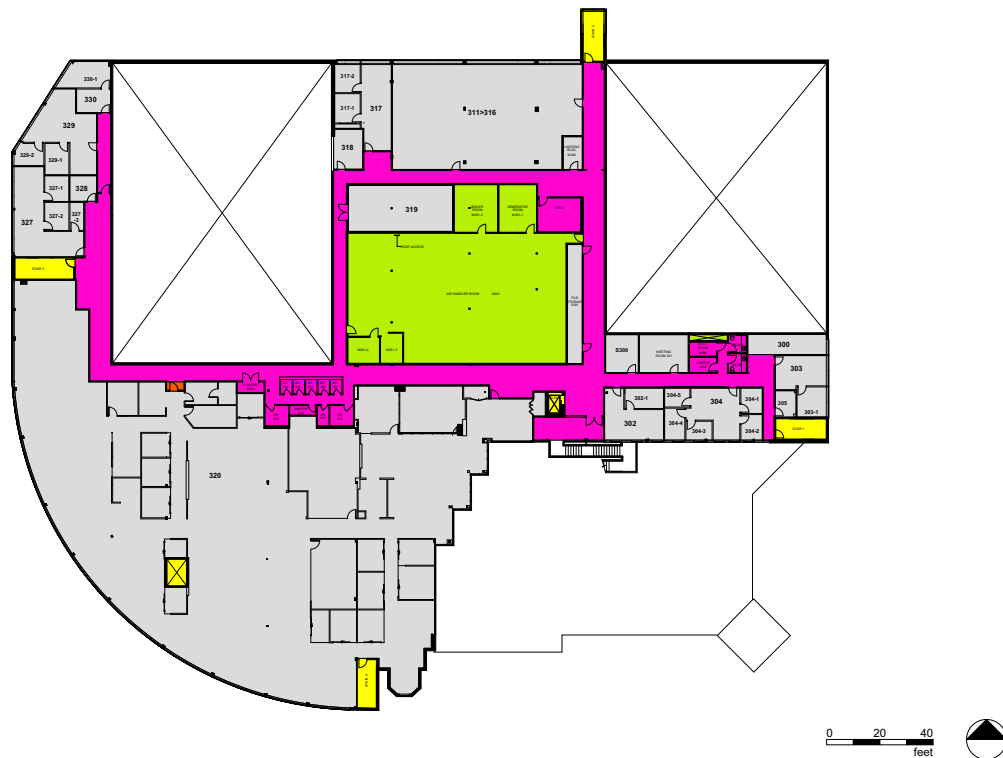
Floor 02

Tenant Area
 Tenant Ancillary Area
 Rentable Exclusions
 Floor Service Area
 Building Amenity Area
 Building Service Area
 Inter-Building Amenity Area
 Inter-Building Service Area



Floor 03

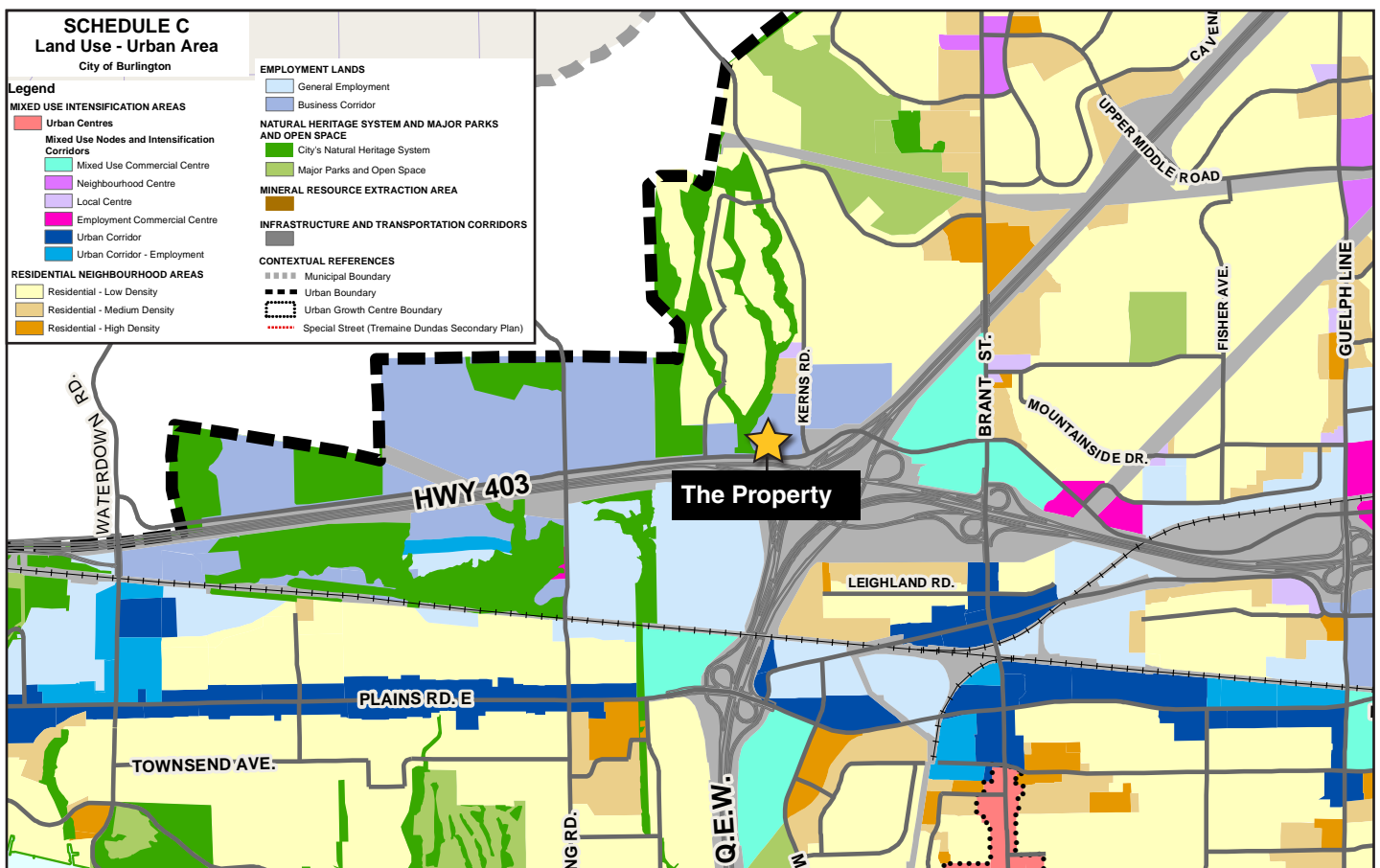
Tenant Area
 Tenant Ancillary Area
 Rentable Exclusions
 Floor Service Area
 Building Amenity Area
 Building Service Area
 Inter-Building Amenity Area
 Inter-Building Service Area



PLANNING OVERVIEW

City of Burlington Official Plan

The Property is located within the City of Burlington's (the City) Urban boundary and is designated for Employment Uses and as part of the Region of Halton Employment Area in the Urban Structure Map - Schedule B. Lands designated for employment uses allow for a full range of scales and intensities of development and offer opportunities for employment intensification and development for employment purposes. It is also designated as an Employment Growth Area in the Growth Framework Map – Schedule B-1. Within Employment Growth Areas, all forms of employment intensification may be permitted, in accordance with the permissions established in the underlying land use designation. The Property is also designated as Business Corridor in the Land Use Urban Area Map – Schedule C. Business Corridors provide locations in the City for prestige-type offices and industrial uses that require good access and high visibility along major transportation routes. The following uses may be permitted within the Business Corridor designation:



- A broad range of office uses; industrial uses that involve assembling, fabricating, manufacturing, processing, warehousing and distribution uses, research and information processing, communications, utilities and transportation uses, and service trades, provided these uses are located within an enclosed building and are unlikely to cause significant adverse effects such as noise, vibration, odours or dust; hotel, conference and convention uses;
- A limited range of accessory retail uses such as convenience stores, and a full range of accessory service commercial uses such as restaurants and banks, subject to the and
- A limited range of recreation uses such as fitness centres and gyms, subject to the provisions and
- Large-scale motor vehicle dealerships, subject to the provisions

A range of building heights and development intensities shall be permitted within areas designated as Business Corridor. The City will encourage a minimum floor area ratio of development of 0.25:1 for office development in Business Corridor Lands to promote more efficient use of land. Any modification to this floor area ratio may occur through a site-specific Zoning By-law amendment or minor variance application, without the need for an amendment to the Official Plan, provided that the objectives of the Business Corridor designation are maintained. The zoning permissions for the Property are considered to be restrictive given the current permitted uses that are limited to a small number of employment based uses.

Zoning By-Law

The Property is zoned as Business Corridor (BC1-44).

Exception 44

Notwithstanding the permitted Industrial uses only the following Industrial uses are permitted:

Industrial Uses:

- Office Uses
- Research and Development
- Information and Data Processing
- Knowledge Based & High Technology
- Training Centre
- Transportation, Communication, Utilities
- Watchman/Caretaker residence

Regulations:

- Lot width: 95 m
- Lot area: 1.85 ha
- Front yard: 30 m
- Street side yard: 30 m
- Side yard: 4.5 m
- Rear yard: 30 m

Maximum building height of 3 storeys with the exception that the maximum height of any elevation facing the north property line shall be 2 storeys with no part of any basement or cellar to project above grade along this elevation.

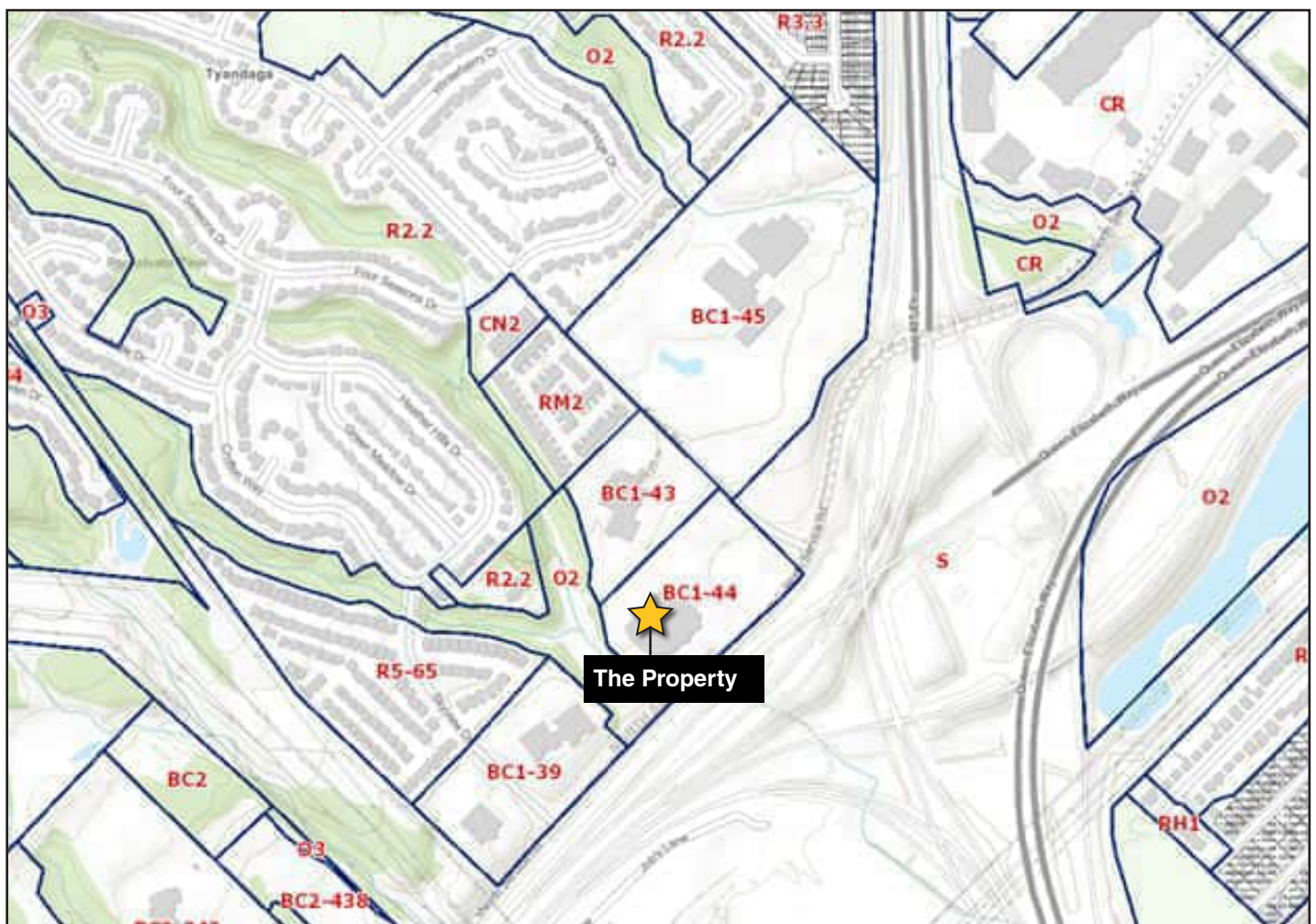
Retail uses shall not have direct access from the building exterior, outdoor signage for retail uses is prohibited. Parking of motor vehicles, other than automobiles shall not be permitted in a front yard or side yard abutting a street.

Parking shall not be located within 15 m of a rear yard property boundary or within 6 m of a creek block.

Outside storage is prohibited except for refuse and waste containers which shall be enclosed and screened to not be visible from any street and be located within 7 m of any building.

Landscape areas:

- abutting a street: 20 m
- abutting the rear property line: 10 m
- between parking areas of individual properties: 4.5 m
- abutting a creek block: 6 m



TRANSPORTATION OVERVIEW

Infrastructure and transportation systems cross the Urban Area are critical to the delivery of infrastructure, utilities and services, including the movement of people and goods in the City today and in the future. Infrastructure systems play a critical role in supporting growth and development in the City. The City multi-modal transportation system is an essential part of a sustainable city which influences both land use and quality of life. The Property is conveniently located with close access to both the 403 and 407 Highways, which are highlighted as critical parts of the City's Infrastructure and Transportation Systems. The site is also serviced by Burlington Transit line 87 – North Service Aldershot.

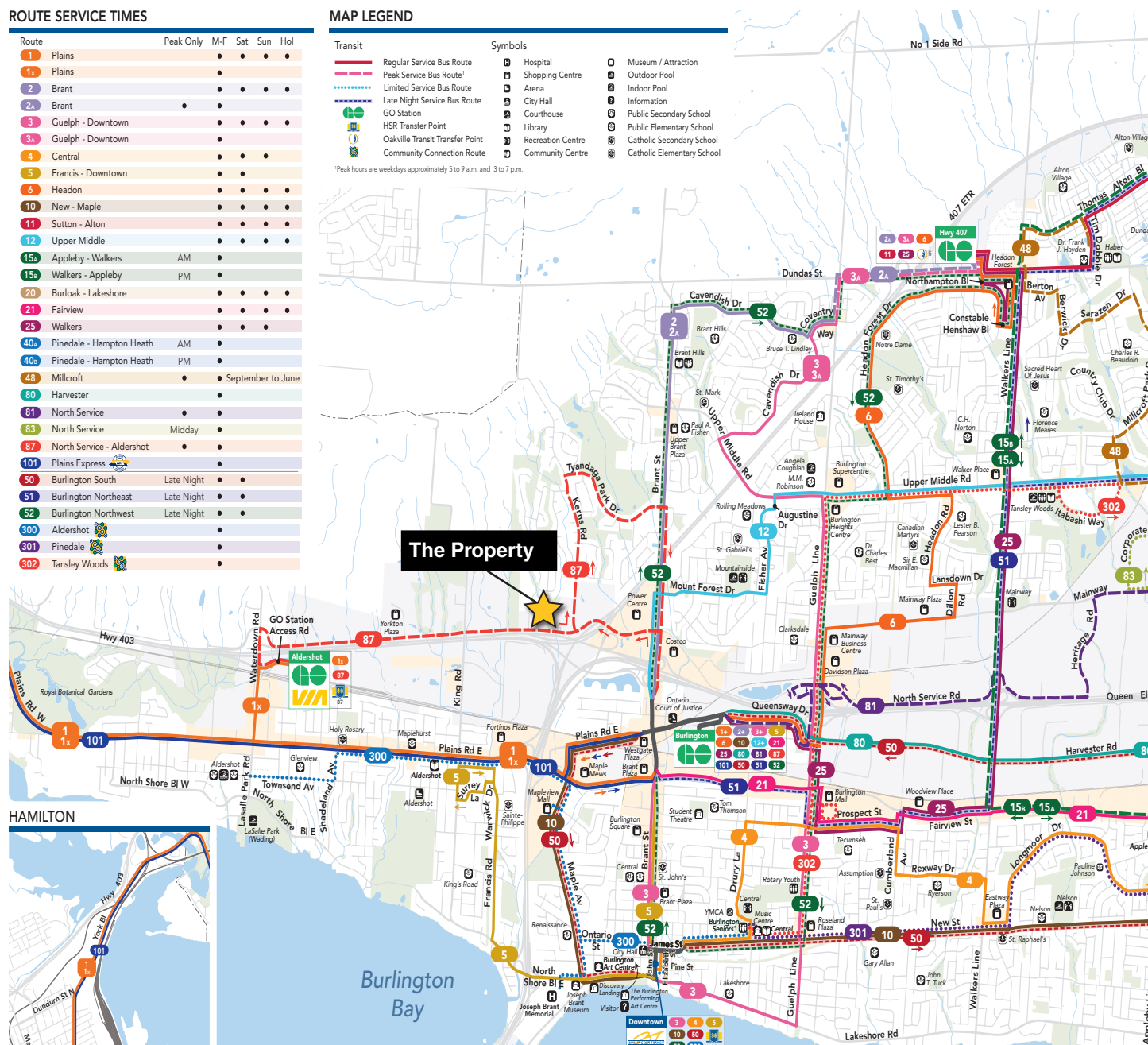
ROUTE SERVICE TIMES

Route	Peak Only	M-F	Sat	Sun	Hol
1 Plains					
1x Plains					
2 Brant					
2x Brant					
3 Guelph - Downtown					
3x Guelph - Downtown					
4 Central					
5 Francis - Downtown					
6 Headon					
10 New - Maple					
11 Sutton - Alton					
12 Upper Middle					
15x Appleby - Walkers	AM				
15x Walkers - Appleby	PM				
20 Burloak - Lakeshore					
21 Fairview					
25 Walkers					
40x Pinedale - Hampton Heath	AM				
40x Pinedale - Hampton Heath	PM				
48 Millicroft					September to June
80 Harvester					
81 North Service					
83 North Service	Midday				
87 North Service - Aldershot					
101 Plains Express					
50 Burlington South	Late Night				
51 Burlington Northeast	Late Night				
52 Burlington Northwest	Late Night				
300 Aldershot					
301 Pinedale					
302 Tansley Woods					

MAP LEGEND

Transit	Symbols
Regular Service Bus Route	Hospital
Peak Service Bus Route ¹	Shopping Centre
Limited Service Bus Route	Arena
Late Night Service Bus Route	City Hall
GO Station	Courthouse
HSR Transfer Point	Library
Oakville Transit Transfer Point	Recreation Centre
Community Connection Route	Community Centre
	Museum / Attraction
	Outdoor Pool
	Indoor Pool
	Information
	Public Secondary School
	Public Elementary School
	Catholic Secondary School
	Catholic Elementary School

¹Peak hours are weekdays approximately 5 to 9 a.m. and 3 to 7 p.m.



VALUATION METHODOLOGY

The Property features attributes atypical of any particular traditional commercial real estate asset class. The improvements consist of purpose built traditional office, co-working space, large broadcasting/studios, and large meeting space/event areas with a commercial kitchen. Most of the unique features were originally constructed by the original owner/operator for its own broadcasting business purposes with a large-scale renovation subsequently completed after the previous sale. Currently the Property is occupied predominantly by the registered owner, NUVO Network, operating a co-working business on the second floor and hosting areas in the main lobby. The previous owner remains as a long-term tenant with third floor office space and ground floor studio and post production space. The balance of the building is vacant or encumbered by a mixture of short-term local covenant tenants.

Review of the broader market indicates that while the Property possesses income generating attributes, due to the unique blend of studio, production and office space, coupled with the location outside of traditional office nodes within the City, the ideal buyer is likely to be an owner/user with tolerance for generating additional income via the Crossroads tenancy and/or eventually occupying the entire building. Given the current configuration of the improvements, coupled with the current lease(s) profile, evaluation on an income approach is irresponsible and has therefore been avoided. We are pleased to complete this valuation methodology approach upon receipt of further information related to the current lease commitments and accompanying renewal rights, provided they prove to be meaningful.

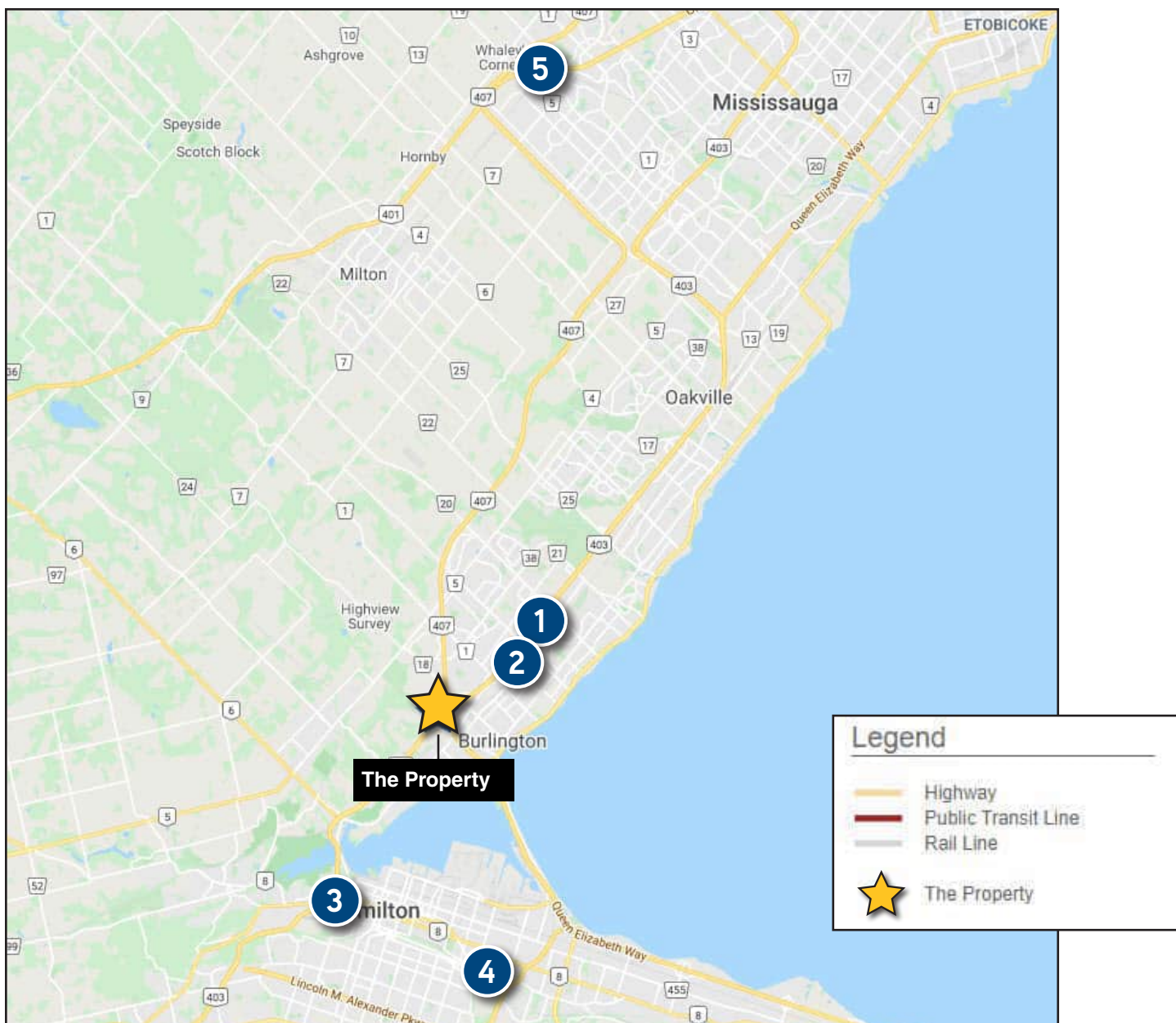
The Greater Toronto Area (GTA) west market has been surveyed for other unique assets, featuring a mixture of specialized uses and offer unique utility to owners and users alike. In addition to the unique blend of leasehold improvements, the zoning permissions for the Property are considered to be restrictive given the current permitted uses that are limited to a small number of employment based uses. A rezoning will be required to expand the permitted uses within the zoning on site. We remain cognizant that a number of additional employment uses are permitted under the City's official plan. The range in

[REDACTED]

[REDACTED]

Comparable Transactions

#	Address	Municipality	Date	Consideration	Area (SF)	\$/SF
1	4190-4208 South Service Rd	Burlington	Oct 1, 2020	\$5,175,000	34,918	\$148.20
2	3600 Billings Court	Burlington	Jan 6, 2020	\$6,000,000	37,521	\$159.91
3	44 Frid Street	Hamilton	Mar 2, 2020	\$25,750,000	258,982	\$99.43
4	1842 King Street East	Hamilton	Sept 1, 2020	\$11,250,000	72,429	\$155.32
5	2585 Meadowpine Blvd	Mississauga	Oct 16, 2020	\$14,587,000	100,115	\$145.70



The low end of the above noted range pertains to the sale former Hamilton Spectator building, purchased by the McMaster Innovation Park. The asset features approximately 260,000 square feet that is a mixture of industrial/printing area and office space. The purchaser's intention is to rehabilitate the building for use as part of the McMaster Innovation Park, targeting life science tenants upon completion of the rehabilitation. The existing Hamilton Spectator building required a large capital injection to modernize the building for the intended use post sale. The Property recently underwent a large capital injection to modernize most of the building, hence it is much better positioned from a capital requirement perspective and the location of the Property is superior including prominent signage opportunities on the Queen Elizabeth Way.

The high-end of the range pertains to the sale of two-storey office development within the City. This index is of a similar vintage, having been constructed in the 1990's and was predominantly occupied by local covenant office tenants as of the date of sale.

When the low-end of the range, being the former Hamilton Spectator building, is removed from the range, through our sale process the purchase price of the Property will be finalized within or exceeding this range.

Conclusion

As the Property appeals as an owner user property, the primary approach to value is the Direct Comparison Approach. The Direct Comparison Approach is the approach typically utilized by purchasers of owner user assets as it is founded upon the principle of substitution, what is the price of a purchaser's next best option.

Based on the foregoing it is our opinion that the current market value as is of the fee simple interest in the Property, reasonably achievable via a comprehensive sales campaign and marketing process, is as follows:

VALUE MATRIX		
Size	\$/SF	Value (round to nearest \$100,000)
260,000	\$100	\$26,000,000
260,000	\$100	\$26,000,000
260,000	\$100	\$26,000,000

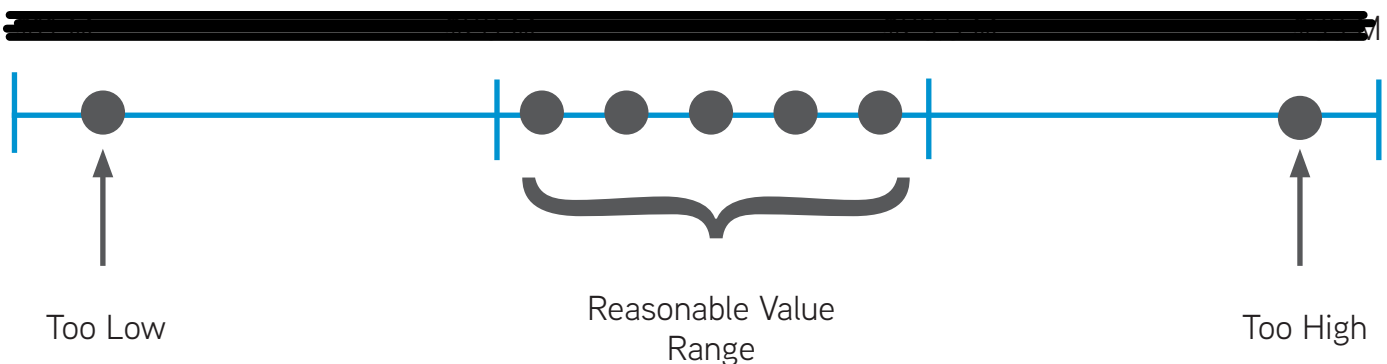
PROJECT VALUATION

SALE PRICE

Our recommendation is to go to the market unpriced with a deadline to submit offers.

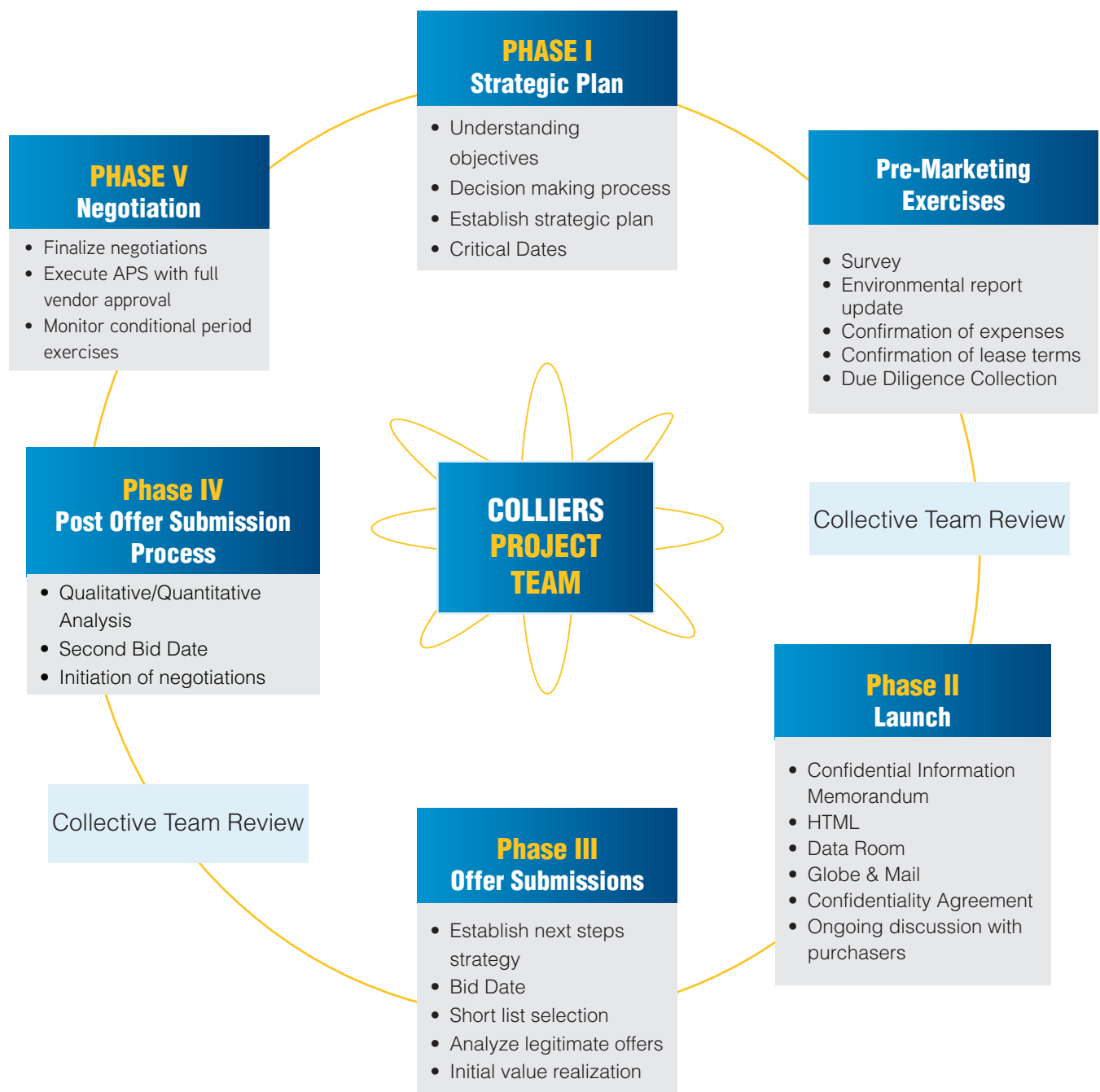
WHAT IS A REASONABLE VALUE RANGE?

- › Accurate value expectations are critical to a successful transaction
- › Value is determined by a combination of density and market pricing per buildable square foot
- › Educated valuations will typically congregate within a fairly tight range
- › Uneducated or “extreme” valuations (high or low) are often referred to as outliers and commonly caused by two factors:
 - › Lack of effort to understand the asset prior to submitting an offer
 - › Lack of intellect
- › The probability of transaction success with an uneducated or extreme value is low
- › Outliers will typically gravitate towards the mean
- › It is essential to manage expectations and mitigate risk through the entire process



STRATEGIC APPROACH

RECEIVERSHIP OFFERING PROCESS



RECEIVERSHIP TENDER BID PROCESS & TIMING

Colliers provides a full service advisory team to guide you throughout the transaction process. Our methodology focuses on credibility, confidentiality and transparency. An organized and efficient approach to multiple offers through an unpriced offering and specified bid date ensures that the value of the Property is maximized.

PRE-MARKETING PERIOD

- › Formulate initial development scheme showing the possible redevelopment options
- › Identify easements and/or site specific development restrictions
- › Create ideal transaction structure to favour owner
- › Environmental assessment(s) and remediation
- › Recommendations for the preparation of the asset and lands for marketing
- › Crafting of disposition strategy
- › Finalize public relations and marketing strategies
- › Create owner approved documentation
- › Customize data room information on secure electronic platform for due diligence items
- › Creation of Multiple Listing Service (MLS)

MARKETING PERIOD

A transparent tender/bid process including the following:

- › Marketing period followed by a defined bid date
- › Confidential tender bid process with contact directly to development and investment community
- › Educate purchaser to level the playing field
- › Maximized leverage to obtain favourable terms
- › Target ideal purchaser to:
 - › Maximize value
 - › Ensure transaction certainty
 - › Mitigate risk and false starts

BID PERIOD

Round One Bid Date

- › Collect all bids on either custom LOI or owner approved standardized documentation. All bids to be summarized in bid matrix for the ease of review and understanding
- › Select short list of proponents based on ability to deliver on the project
- › Create a final bid resubmission environment to allow short listed proponents the opportunity to improve their offer(s)

Round Two Bid Date

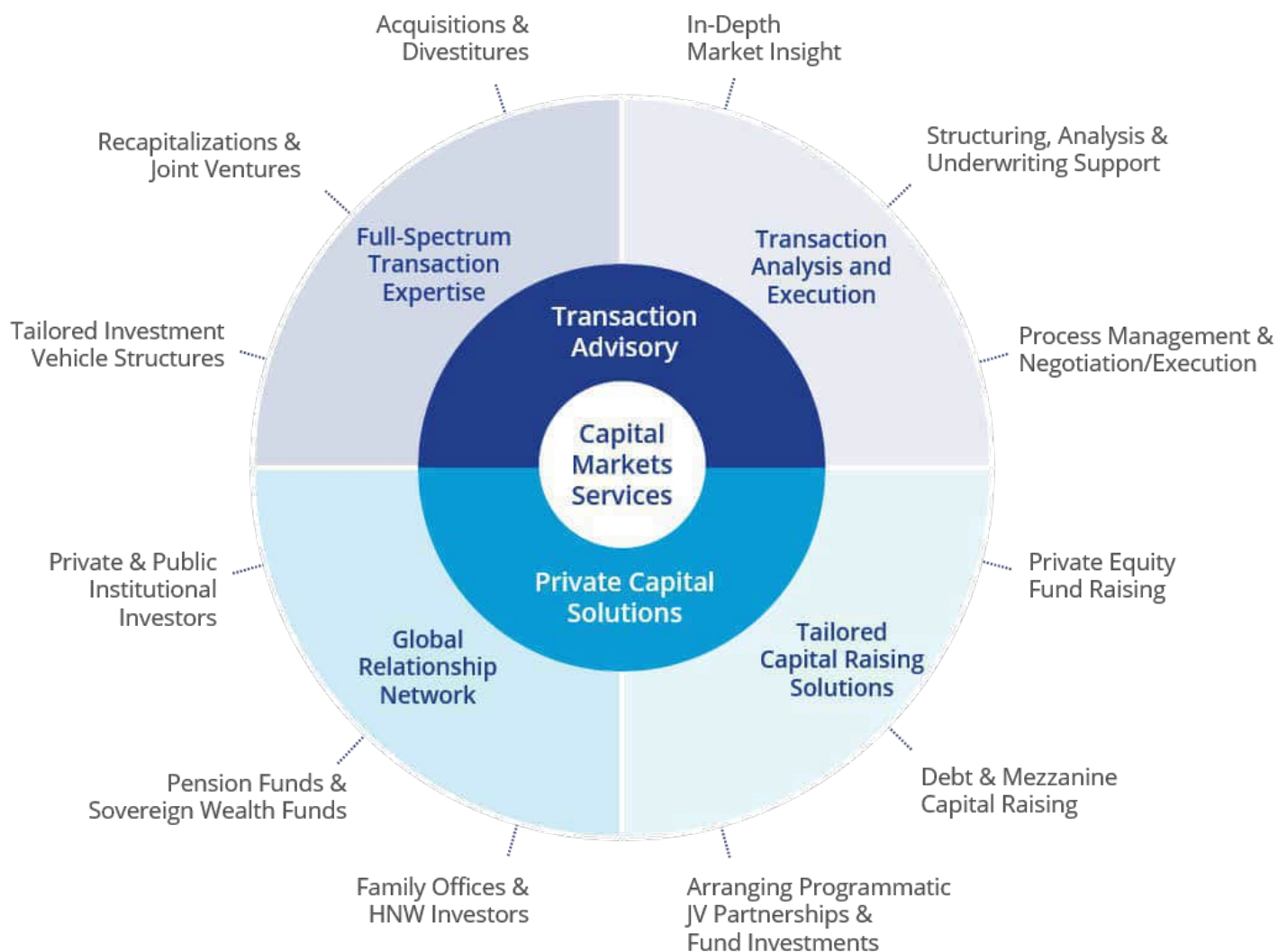
- › Select proponent
- › Finalize transaction

TRANSACTION TIMELINE

Launch Date	TBD
Pre-Due Diligence/ Pre Marketing	4 Weeks
Marketing Reports	Weekly
Active Marketing	4-5 Weeks
Bid Date	End of Marketing Period
Second Round Offers	1 Week
APS Execution	2 Weeks
Due Diligence	TBD
Closing	TBD

DEBT & EQUITY FINANCING

Our Capital Markets team provides expertise across the full transaction spectrum and direct access to our deep institutional investor relationship network.



Transaction Advisory

Real estate advisory expertise across the full range of strategic transaction alternatives involving major assets, portfolios, development projects and private funds. In-depth market insight, analytical capabilities, and transaction process management to maximize value.

Private Capital Solutions

Specialization in connecting strategic financial partners and sourcing a variety of private capital through our vast network of institutional investor relationships. Collaboration with local and global partners to maximize deal exposure across all real estate asset class.

A close-up photograph of a person's hand holding a silver pen, poised over a calculator. The background is softly blurred, showing a person in a light-colored shirt. The image is split vertically, with the left half showing the hand and calculator, and the right half being a solid blue color with the Colliers logo and tagline.

Colliers

Accelerating success.

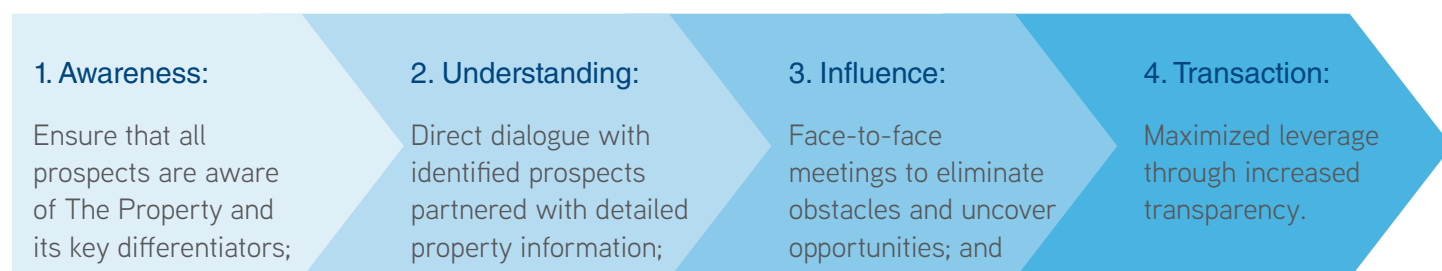
MARKETING STRATEGY

KEY STEPS

Colliers understands that in today's world, generic is not enough which is why Colliers designs and implements creative and strategic advertising and marketing solutions to ensure our clients stand apart from the competition. Colliers' strategic marketing program is focused on creating awareness and understanding so we ensure your project receives exposure through every possible medium.

Colliers will pay for the production and distribution of the applicable marketing materials.

Our marketing strategy contains the following key steps:



More than **67,000** views on our YouTube channel: ColliersCanada

More than **11,000** LinkedIn followers: @Colliers International Canada

More than **5,200** Twitter followers for @collierscanada with feed averaging 62,000+ impressions a month

More than **800** followers on Instagram: @colliersCanada

MARKETING STRATEGY

MARKETING MATERIALS

Exclusive to Colliers



WEBSITE ADVERTISING

ColliersCanada.com is the #1 ranked CRE website in Canada which receives approximately 60,000 visitors per month conducting over 30,000 property searches per month. The Property will be prominently displayed on the website and feature on the front page from time to time.



DIGITAL ADVERTISING

Colliers has secured and partnered with the country's most prominent digital publications. We have exclusive digital advertising rights in Vancouver Sun, Calgary Herald, Globe and Mail, Financial Post and BIV. We will create featured digital ads for the Property in these publications as needed.



DIRECT PRESENTATIONS

Colliers International will present directly to all possible purchasers as this is the most effective method of not only presenting the opportunity but allowing for immediate discussion with respect to immediate questions and answers.



CUSTOMIZED BROCHURE

Colliers in-house project marketing division takes brochures to the next level for commercial properties. We create pieces that drive more awareness, ensure the brand/identity of the client and property take precedence and provide all relevant data.



PROFESSIONAL PHOTOGRAPHY

First impressions matter. Professional photography increases the perceived value of a property by nearly 13%.



PRINT ADVERTISING

Colliers maintains a consistent advertising presence in both local and national papers. The Property, will be featured in the Globe and Mail and if deemed required it can be featured in additional papers.



ONLINE DATA ROOM

The data room will house documents that will supplement the CIM. More information in the hands of buyers results in more qualified offers.



EMAIL CAMPAIGN

Colliers maintains an extensive database that will be analyzed to extract a list of target groups which will receive email communications that promote the offering to them.

WEBSITE ADVERTISING

More than a web listing.

Our infrastructure allows users to post unlimited images, as well as embed video tours of properties, 3D office fit-out diagrams, virtual tours and more.

Company Website

The Colliers Canada website has a tagged infrastructure, and is optimized for search engines. We can feature properties on our homepage and cross-promote content throughout the site. Our site receives 120,000+ visitors each month.

Responsive Design

Colliers' technology, including a fully responsive web design (RWD) for collierscanada.com visitors, ensures an optimal user experience on any device and enhanced search engine optimization capabilities. This allows users to search and view property listings on the go with their mobile smart phones and tablets.

collierscanada.com

Homepage



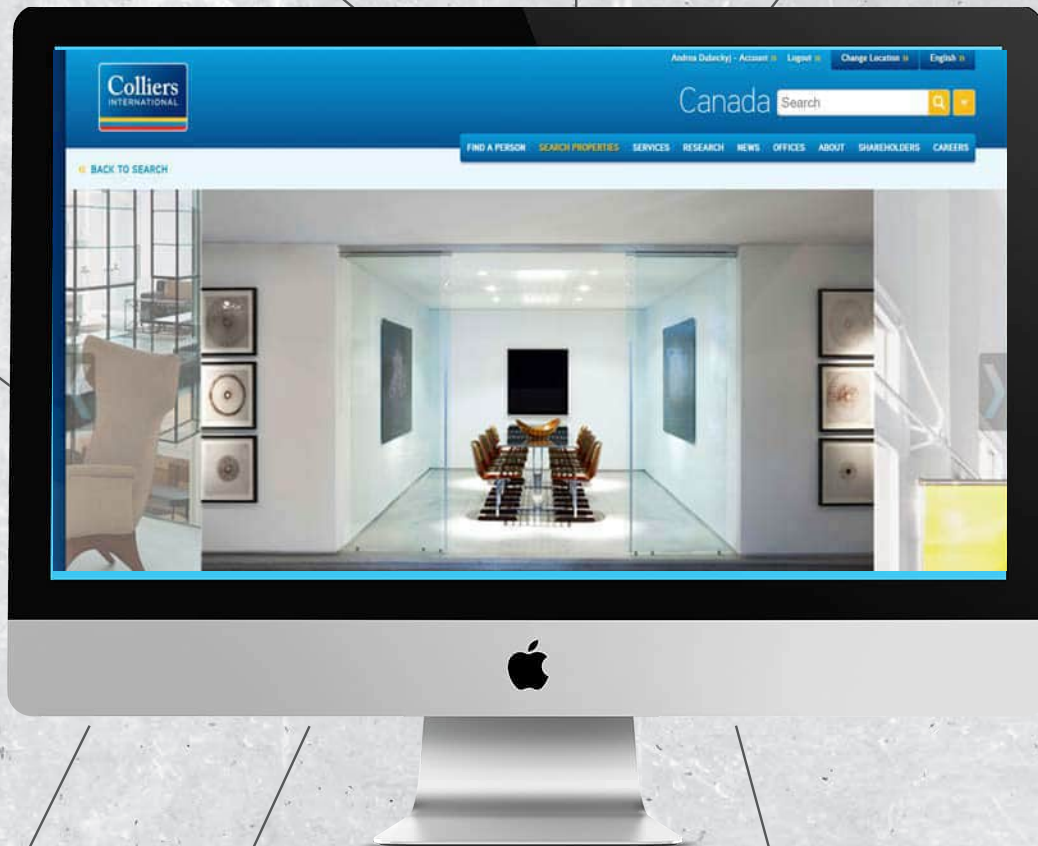
Highest ranked commercial
real estate services
webpage in Canada
(alexa.com)

Secure documents section to
restrict access and monitor
prospects

Video embedding
capability on all
property listing
pages

Listing Page

SEO tagging
and
optimization



Tracks calls,
emails and
form leads

Unlimited,
full-screen, high-resolu-
tion property photos

Ability to publish
listings to other
internal and
external websites

DIGITAL ADVERTISING

Published Press Advertising

On-line Advertising

Our clients can place their listings in prime online real estate. On all our partner news sites including theglobeandmail.com and financialpost.com, a Colliers box ad displaying featured listings and a property search function appear on all commercial real estate articles. In addition to alerting users of the latest listings, the banner offers a dynamic property search and feed functionality, the first of its kind in the Canadian commercial real estate industry.






THE GLOBE AND MAIL 

PRINT ADVERTISING

Property Listing Group Advertising

The Globe & Mail

Colliers has preferred positioning and full-colour advertisement in The Globe And Mail, Canada's largest national newspaper. Colliers also appears weekly in the Report on Business section.



BEST EMPLOYER
GOLD | CANADA | 2017

THE RESULTS ARE IN.

Aon has named Colliers International a Gold Level Best Employer in Canada. We thank our clients, who continually provide us opportunities to demonstrate our expertise and raise the bar on our service delivery. We thank our employees, whose commitment and contributions consistently elevate our game, enabling us to achieve this coveted distinction.

Ready to see how working with one of Canada's top companies can take your success to the next level? Contact us today.

collierscanada.com

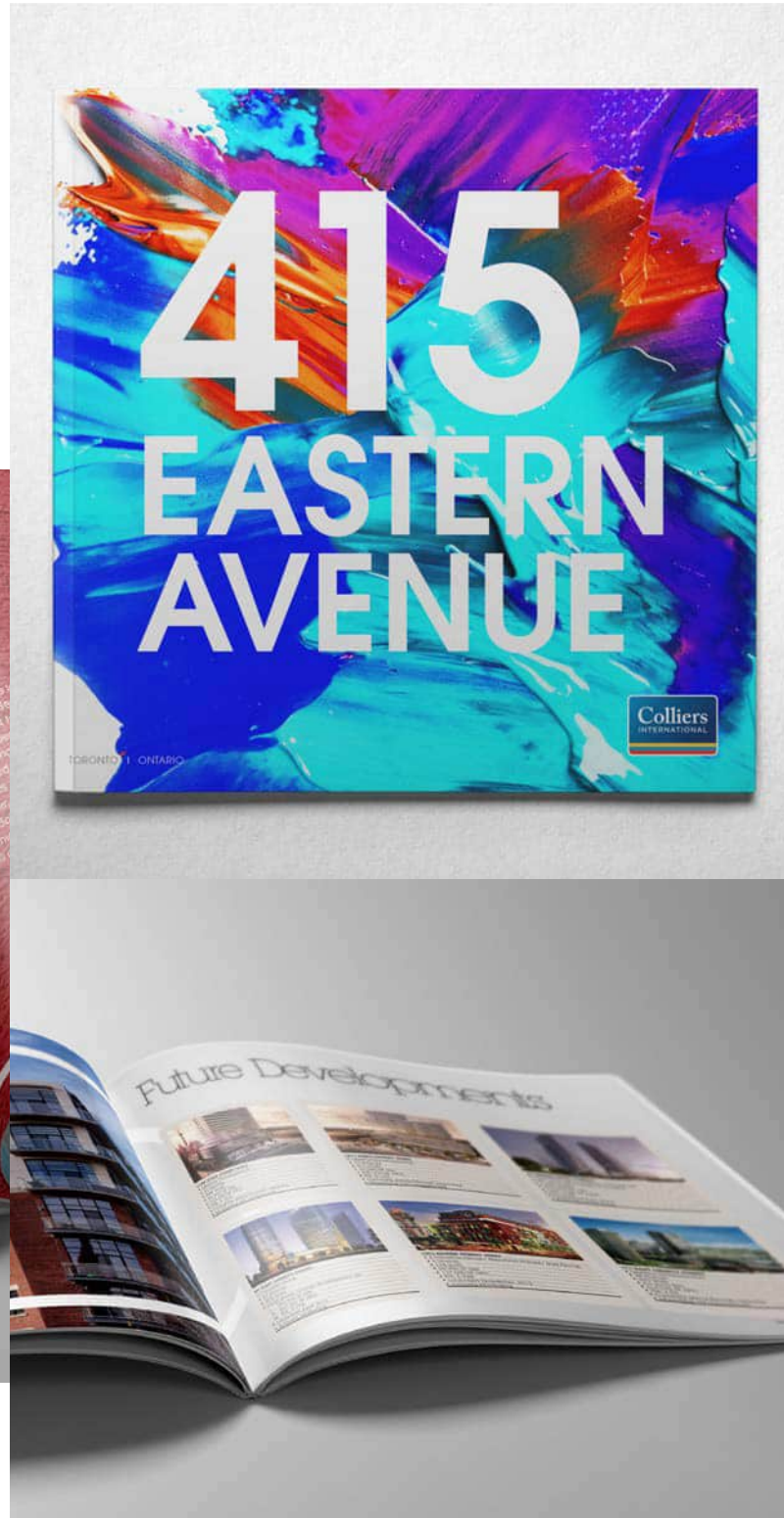


Accelerating success.

CUSTOMIZED BROCHURE

CIM and Technical Manuals

Our marketing and brokerage professionals are trained to build out information memorandum as much more than just due diligence information. This documentation walks prospects through the benefits a property has to offer, as well as overcomes objections potential buyers may have.



Flyers/Brochures

Colliers creates custom brochures and flyers to market assets, incorporating key messaging and identity elements determined at the planning stage.



WHY COLLIERS

ADVANTAGE

Greater Toronto Redevelopment Leaders

The Greater Toronto Area (GTA) continues to experience unprecedented growth through redevelopment and intensification. Colliers' intellectual experience in executing on processes to maximize value of under-utilized real estate assets are well known throughout the GTA and across Canada. Our expansive relationships and reputation of integrity are the cornerstones of our advisory practice.

Our Mission: To maximize value and transaction terms for owners of real estate by leveling the playing field between vendor and purchaser.

Unrivaled Marketing and Market Intelligence

Colliers is the first brokerage to invest in a dedicated team to provide a strategic and creative project marketing approach for commercial real estate. By adopting a strategic project marketing mentality, it further enhances the opportunity to create mass awareness and targets far more potential purchasers for our clients over any other brokerage firm.

The depth and strength of our local Market Intelligence team provides a strategic thinking process based on extensive market research and insight, financial analysis and modeling to conceive the ideal solution. It is then presented in a compelling fashion that best positions the clients' property in the marketplace resulting in an accelerated disposition at the maximum value.

Local Roots with Global Reach

First established in 1898 in Vancouver as Macaulay & Nicolls, Colliers has grown to become Canada's largest Canadian-owned commercial real estate services company. In the Greater Toronto Area, Colliers serves its clients with four offices. With a staff of 202 including 132 dedicated agents, Colliers Toronto consistently ranks as Colliers Canada's top-producing division.

Colliers' local, national and global coverage spans more than 400 offices in 69 countries, reaching 95% of the developed world. We recognize that local real estate knowledge must come from people in the field, so we support local research; local industry leadership and a strong network among our professionals (including robust search tools) so that they may easily access the knowledge of their peers.

#1

Ranked Canadian Real Estate Company

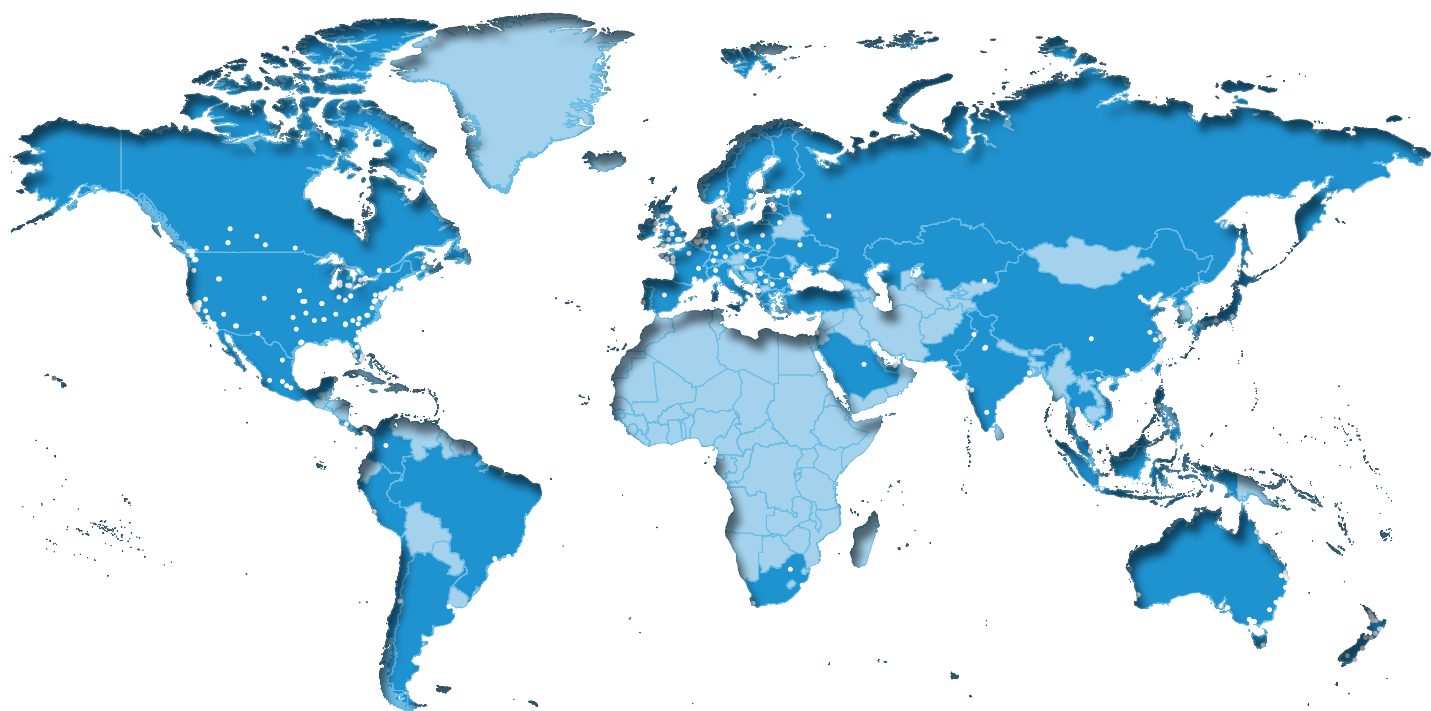
COMMERCIAL PROPERTY
EXECUTIVE &
MULTIHOUSING NEWS

#1

Ranked Commercial Real Estate Website in Canada ALEXA.COM

#1

Commercial digital advertising presence in Canada through exclusive partnerships



67
COUNTRIES



400
OFFICES



18,000
PROFESSIONALS
AND STAFF



2.0B
SF UNDER
MANAGEMENT



3.3B
IN REVENUE



\$40B
TRANSACTION
VALUE (US \$)



International Property Awards

Best Property Consultancy

Best Property Consultancy Marketing

Best Property Consultancy Website

BUSINESS TERMS

ACCOUNTABILITY AND REPORTING

- › Progress of the disposition activity;
- › Response levels to our marketing;
- › Level of interest expressed by prospective purchasers within the target market;
- › Companies contacted in target market and their feedback;
- › Incoming inquiries, who and where they are coming from and how they are hearing about the opportunity; and
- › Profile of the businesses that express serious interest.

LISTING TERM

We request a six (6) month listing agreement.

SUCCESS FEES

In consideration of Colliers listing the Property for sale, Colliers will be entitled to a

~~commission equal to the net proceeds from the sale of the Property, less the cost of the sale.~~
Such commission shall be payable to Colliers upon the successful closing of the sale of the Property.

EXPENSES

Colliers will be responsible for all marketing costs and will not charge per diems, travel expenses, overhead, management, administrative or other related expenses. The cost to prepare this Proposal is and will remain at the expense of Colliers.

DEDICATED TEAM



SPERGEL

msi Spergel Inc. [Receiver]

Transaction Leads



Ian Gragtmans
Executive Vice President,
Broker



Steve Keyzer
Senior Vice President

Valuations



Rob Purdy
Executive Director

Dedicated Support / Marketing



Men Lee
Marketing Manager



Silvia Laban
Urban Planning Associate



Tina Teng
Brokerage Project
Specialist

TEAM BIOGRAPHIES



Ian
GRAGTMANS
Executive Vice President, Broker
ian.gragtmans@colliers.com

Professional Summary: Ian has 30 years of experience maximizing value creation and maintaining certainty for vendors, purchasers, and agents. He is well known for assembling and leading highly effective teams that are grounded by integrity, strategy, transparency and execution at every stage. He uses his capital markets expertise and strong connections throughout the industry to make himself a valuable asset for clients. Ian contributes regularly as an on-air television guest and commentator with Bloomberg News, the Canadian Broadcasting Corporation (CBC), and the Business News Network (BNN). He shares his knowledge to increase awareness in the business community about current market conditions and future trends in the commercial real estate industry.



Steve
KEYZER
*Senior Vice President**
steve.keyzer@colliers.com

Professional Summary: Steve is a key leader within the redevelopment and intensification vertical in the downtown Toronto market. Acting on behalf of an ever increasing number of private and corporate urban real estate owners to maximize the value of their property(s), he brings certainty and a focused and diligent approach to process while establishing highest & best use for a given asset. He is able to guide property owners through the redevelopment process to align value expectations for sale as well as Joint Venture projects. He graduated from the University of Guelph with a Bachelor of Commerce.



**Rob
PURDY**
Executive Director
rob.purdy@colliers.com

Professional Summary: Rob Purdy is a real estate professional and an Accredited Appraiser with the Appraisal Institute of Canada having 10 years experience in the valuation of institutional grade assets. Rob began his real estate career within the brokerage world, underwriting investment opportunities for potential buyers and sellers. After several years in investment brokerage, Rob decided to leverage his core strength of underwriting and interpretation of financial statements towards completion of his AACI.



**Silvia
LABAN**
Urban Planning Associate
silvia.laban@colliers.com

Professional Summary: Silvia specializes in the field of Urban Planning, Design and Development to create the highly efficient, well designed developments using contemporary trends and traditional practices to maximize the value of assets. Her role includes researching up-to-date planning policies, tracking new development applications and market inventory, identifying new development opportunities, advising on potential risks and preparing feasibility analysis and development pro-formas. She possesses a multitude of skills to deliver, manage, and work with team members to create well integrated projects. She graduated from the University of Toronto with an H.B.A in Architecture and Fine Arts and Ryerson University with M.PL Urban Planning Development.



**Tina
TENG**
Brokerage Project Specialist
tina.teng@colliers.com

Professional Summary: Tina is responsible for managing overall marketing campaigns including market research, producing marketing collateral, pitches, proposals, surveys, agreements and listings. With several years of experience as an accomplished administrative assistant, she possesses strong time management, organizational and multitasking capabilities to ensure meeting of demands in a fast-paced work environment. Tina is a team player, courteous and a professional ready to tackle any new projects. Tina demonstrates expertise knowledge of Microsoft Office, MTB, CRM+ and Adobe Creative Suite software.

RELEVANT EXPERIENCE



12091 88 Avenue,
Surrey, BC

- 13.81 acres
- 195,960 SF total building size
- Highly specialized office/industrial with varying ceiling heights
- Vancouver Sun Printing Plant/Office

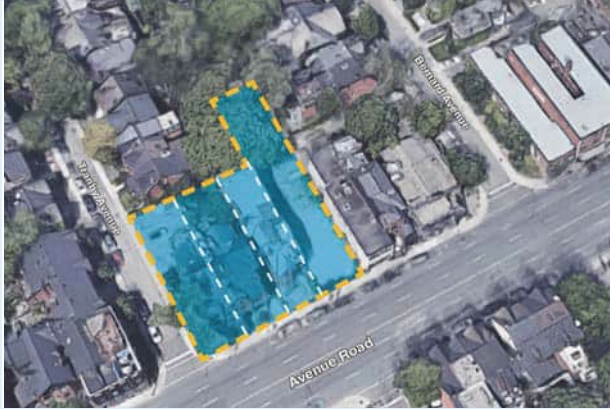


9301 - 49 Street
Edmonton, AB

- 7.17 acres
- 135,114 SF total building size
- Highly specialized office/industrial with varying ceiling heights
- Edmonton Journal Printing Plant/Office

The above noted properties are classified as relevant experience in relation to the sale of the Property as these buildings were built for specific uses which resulted in similar challenges / opportunities for marketing the buildings for alternative and owner occupier uses. These properties had varying ceiling heights (10 to 30+ feet) and a mix of industrial, warehouse, and office space. Our experience with these properties will allow us to revisit the alternative uses we explored for these transactions and will allow us to apply our key learnings to this assignment.

RECENT RECEIVERSHIP EXPERIENCE



110-116 Avenue Road,
Toronto, ON - Annex/Yorkville

- 0.354 acres
- 53,334 SF of potential GFA
- Mixed-Use Development



7, 15 & 30 Fraser Avenue,
Toronto, ON - Liberty Village

- 3.8 acres
- 103,000 SF
- Office



240 Duncan Mill Road,
Toronto, ON - North York

- 2.87 acres
- 169,368 SF
- Office



1450 Don Mills Road,
Toronto, ON - North York

- 4.628 acres
- 160,000 SF
- Office
- Receivership Sale on behalf of Trez Capital in conjunction with RSM

RECENT RECEIVERSHIP EXPERIENCE



160-178 & 186 Main Street, Unionville, ON

- › 1.37 acres
- › 5 commercial parcels
- › Mixed-Use Heritage



Carriage Ridge & Carriage Hills Resort, Horseshoe Valley, ON

- › 27.83 acres
- › 11 residential buildings
- › 491 Suites



58-62 Shepherd Road, Oakville, ON - Kerr Village

- › 1.37 acres
- › Two 10-storey buildings
- › Mixed-Use Development



22216 Bloomfield Road, Chatham, ON - Truck Stop

- › 11.249 acres
- › 5,600 SF building
- › Rural Industrial

RECENT RECEIVERSHIP EXPERIENCE



16 Lock Street & 12 Lakeport Road,
St. Catharines, ON - Port Dalhousie Waterfront

- › 1.112 acres
- › 23,000 SF of commercial floor space
- › Community Commercial



51-75 Bradford St & 20 Checkley St,
Barrie, ON - Downtown Waterfront

- › 8.66 acres
- › 1.7M SF of potential GFA
- › Mixed-Use Development



6 Lloyd Ave,
Toronto, ON - Junction

- › 2.62 acres
- › 564,298 SF of GFA
- › Mixed-Use Development

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MERIDIAN CREDIT UNION LIMITED
Applicant

-and- 2607380 ONTARIO INC.
Respondent

Court File No. CV-21-00659019-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

**MOTION RECORD
VOLUME 1**

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Ontario Inc.