



Court File No. CL-25-00753599-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE

)

TUESDAY, THE 20TH

JUSTICE DUNPHY

)

DAY OF JANUARY, 2026

)

**915643 ONTARIO INC.**

Applicant

- and -

**177 CROSS ARGUS DEVELOPMENT INC. and  
DOUBLE DIAMOND CAPITAL INC.**

Respondents

**SALE AND INVESTMENT SOLICITATION PROCESS ORDER**

**THIS MOTION**, made by Albert Gelman Inc. (“**AGI**”) in its capacity as the receiver and manager (the “**Receiver**”), without security, of all of the assets, undertakings and properties of 177 Cross Argus Development Inc. (“**177**”) and Double Diamond Capital Inc. (“**Double Diamond**” and collectively with 177, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors at the real property known municipally as 177-185 Cross Avenue, Oakville, ON and 580 Argus Road, Oakville, ON, for an order, among other things: (a) approving the Stalking Horse Agreement (as defined below) which will act as the stalking horse bid in the SISP (as defined below) (the “**Stalking Horse Bid**”), (b) approving the SISP (as defined below), and (c) granting certain related relief, was heard this day by judicial videoconference.

**ON READING** the Notice of Motion of the Receiver and the First Report of the Receiver dated January 9, 2026 (the “**First Report**”), and on hearing the submissions of counsel

for the Receiver, 915643 Ontario Inc. and those other parties that were present as listed on the Participant Information Form, no other party appearing although duly served as appears from the Affidavit of Service of Danny Nunes dated January 15, 2026.

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the First Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Order (Appointing Receiver) dated November 27, 2025 effective as of November 20, 2025 (as it may be amended from time to time, the “**Appointment Order**”) or, if not defined therein, in the First Report.

## **STALKING HORSE AGREEMENT**

3. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Receiver of the Agreement of Purchase and Sale dated January 14, 2026 (the “**Stalking Horse Agreement**”) between the Receiver and 915643 Ontario Inc. (the “**Stalking Horse Bidder**”), substantially in the form attached as Appendix “G” to the First Report is hereby ratified, authorized and approved, *nunc pro tunc*, with such minor amendments as the Receiver and the Stalking Horse Bidder may agree to in writing, and the bid made by the Stalking Horse Bidder pursuant to the Stalking Horse Agreement is hereby approved to act as the stalking horse bid under, and in accordance with, the SISP (as defined below), provided that nothing herein approves the sale or vesting of any Property to the Stalking Horse Bidder. The approval of any sale and vesting of any Property to the Stalking Horse Bidder shall be considered by this Court on a subsequent motion if the Stalking Horse Agreement is the Successful Bid pursuant to the SISP.

## **APPROVAL OF STALKING HORSE SALE PROCESS**

4. **THIS COURT ORDERS** that the stalking horse sale process guidelines attached as Schedule “A” hereto (the “**SISP**”) (subject to such amendments as may be agreed to by Lennard

Commercial Realty, Brokerage (the “**Broker**”) and the Receiver, in consultation with the Stalking Horse Bidder, in accordance with the SISP) be and is hereby approved and the Receiver and the Broker are hereby authorized and directed to implement the SISP pursuant to its terms and the terms of this Order. The Receiver and the Broker are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and this Order.

5. **THIS COURT ORDERS** that the Receiver and the Broker and their respective affiliates, partners, directors, employees, agents, advisors, representatives and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Receiver or the Broker, as applicable, in performing their respective obligations under the SISP, as determined by a final order of this Court that is not subject to appeal or other review and all rights to seek any such appeal or other review shall have expired.

6. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Receiver and the Broker are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the SISP in these proceedings.

7. **THIS COURT ORDERS** that notwithstanding anything contained in this Order or in the SISP, the Receiver shall not take Possession of the Property or be deemed to take Possession of the Property, including pursuant to any provision of any Environmental Legislation.

8. **THIS COURT ORDERS** that in supervising the SISP, the Receiver shall have all the benefits and protections granted to it under the BIA, the Appointment Order and any other Order of this Court in these proceedings.

## **PROTECTION OF PERSONAL INFORMATION**

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

any other applicable jurisdictions, the Receiver and the Broker and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants (each, a “**Potential Bidder**”) and their advisors Personal Information, including, without limitation, information in the custody or control of the Receiver or the Broker relating to the operation of the businesses being sold pursuant to the SISP, records pertaining to the Debtors’ past and current employees and information on specific customers, but only to the extent desirable or required to negotiate or attempt to complete a transaction under the SISP (each a “**Transaction**”). Each Potential Bidder to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information and limit the use of such Personal Information to its evaluation of a Transaction, and if it does not complete a Transaction, shall return all such information to the Receiver or the Broker, or in the alternative destroy all such information and provide confirmation of its destruction if required by the Receiver or the Broker. Any successful bidder(s) shall maintain and protect the privacy of such information and, upon closing of the Transaction, shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver or the Broker, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Receiver or the Broker.

## **GENERAL**

10. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court to amend, vary or supplement this Order.

11. **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 and under the SISP.

12. **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, to grant representative status

to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

13. **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 in any jurisdiction outside Canada, including, without limitation to apply for recognition and enforcement of this Order in the United States.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern/Daylight Time on the date of this Order without the need for entry and/or filing.

  
Digitally signed  
by Sean Dunphy  
Date: 2026.01.20  
12:30:16 -05'00'

---

## Schedule “A”

### Stalking Horse Sale Process

#### Introduction

On November 27, 2025, pursuant to an order effective as of November 20, 2025 (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), Albert Gelman Inc. (“**AGI**”) was appointed as receiver and manager (the “**Receiver**”), without security, of all of the assets, undertakings and properties (the “**Property**”) of 177 Cross Argus Development Inc. and Double Diamond Capital Inc. (the “**Companies**”) acquired for, or used in relation to a business (the “**Business**”) carried on by the Companies at the real property known municipally as 177-185 Cross Avenue and 580 Argus Road, Oakville, Ontario (the “**Real Property**”).

The Receivership Order was granted pursuant to an application made by 915643 Ontario Inc. (the “**Applicant**” or the “**Lender**”), which holds the first and second mortgages, each in the form of a Vendor Take-Back Mortgage (each a “**VTB**”, collectively the “**VTBs**”) in respect of the Property. The Applicant advises that, as at January 9, 2026, the approximate amount owed to the Applicant pursuant to the first and second VTB Mortgages is \$33,851,915.02 and \$6,134,564.36. This amount does not include outstanding interest, fees or expenses accrued to date or that continue to accrue.

In addition, Aarti Real Estate Enterprises and Mayuri Ventures Inc. (collectively, the “**Third Mortgagee**”) holds a third mortgage in the amount of \$5,000,000 (the Third Mortgagee and Lender are, together, the “**Secured Creditors**”). The Third Mortgagee has also taken enforcement steps in respect of the third mortgage, and was granted a default judgment against the Company in the amount of \$5,848,876.71 together with interest at the rate of 28.00% per annum.

Pursuant to the Receivership Order, the Receiver is authorized to market any or all of the Property, including advertising and soliciting offers in respect of any and all such Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver, in its discretion, may deem appropriate.

The Receiver intends to seek Court approval of the Stalking Horse Sale Process set forth herein (the “**SISP**”), including seeking authorization, *nunc pro tunc*, to enter into the Agreement of Purchase and Sale dated January 14, 2026 (the “**Stalking Horse Agreement**”) between the Receiver, in its capacity as Receiver, and the Lender (the “**Stalking Horse Bidder**”). The purpose of the SISP is to seek and to implement proposals to acquire the Property or invest in or refinance the Business. The Receiver has retained Lennard Commercial Realty, Brokerage (the “**Broker**”) to assist in the development and execution of the SISP and related marketing strategy.

This SISP sets out the following (using capitalized terms that are defined below):

- a. the Opportunity available, the manner in which the SISP will be supervised, and the manner in which notice of the Opportunity will be provided and interest solicited;
- b. the timelines for and process for Phase 1 of the SISP, leading to submission of non-binding bids and the selection of the Selected Bidders to participate in Phase 2;

- c. the timelines for and process for Phase 2 of the SISP, leading to submission of irrevocable, unconditional bids;
- d. the timelines and process for the Auction in the event it proceeds;
- e. the timelines and process for selection of a Successful Bid and Backup Bid; and
- f. the timing and process for Court approval of a Successful Bid and closing of same.

### **Defined Terms**

- 1. Capitalized terms used in this SISP have the meanings given to them herein and as set out in **Appendix “A”** hereto.

### **Opportunity**

- 2. This SISP is intended to solicit interest in the opportunity to, prior to the Outside Date (defined below) (collectively, the “**Opportunity**”):
  - (a) acquire all or substantially all of the Property (a “**Sale Proposal**”), or
  - (b) refinance the Business or, with required consents and approvals, invest in the Companies, in each case, by making a proposal to repay existing indebtedness of the Companies in relation to the Real Property (an “**Investment Proposal**”).
- 3. Any transaction entered into pursuant to this SISP will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Companies, the Receiver, the Broker, the Secured Creditors or any of their respective agents or estates, except to the extent set forth in a definitive final agreement executed with a Successful Bidder and approved by the Court.
- 4. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into in respect of the Property or Business.

### **Timeline**

- 5. The following table provides a high-level summary of the key stages and milestones anticipated under the SISP:

<b>Milestone</b>	<b>Date(s)</b>
	<b>[NTD: Dates pending confirmation with the Third Mortgagee]</b>
Phase 1: Formal Marketing Process and Initial Due Diligence Period	January 20, 2026 – February 26, 2026
Phase 1 Bid Deadline	February 27, 2026
Phase 2: Due Diligence Period for Selected Bidders	February 28, 2026 – March 19, 2026
Phase 2 Bid Deadline	March 20, 2026
Auction Date (if designated)	March 23, 2026
Court Approval of Successful Bid	Not later than March 31, 2026
Targeted Closing Date	April 20, 2026
Outside Date	April 30, 2026

The dates set out in the SISP may be extended by the Receiver in consultation with the Broker, with the consent and approval of the Stalking Horse Bidder.

Any extensions or amendments to the deadlines above, to the extent permissible hereunder, will be communicated to all known Participating Bidders (defined below) and such extensions or amendments shall be posted on the website the Receiver maintains in respect of these receivership proceeding at:

<https://www.albertgelman.com/filedocuments/#177cross> (the “**Receiver’s Website**”).

#### **Supervision of and Amendment to the SISP**

6. The marketing of the Opportunity, and negotiation with Potential Bidders described in this SISP will be conducted by the Broker on behalf of, and under the supervision of the Receiver. For the avoidance of doubt, with respect to the Receiver’s role in regards to the SISP, the terms of the Receivership Order and SISP Order concerning the Receiver’s rights and duties in this receivership proceeding will govern.
7. The Receiver will supervise, in all respects, the SISP. The Receiver, in consultation with the Stalking Horse Bidder and the Broker shall have the right to adopt such other rules for the SISP that in its reasonable business judgment will better promote the goals of the SISP. In the event that there is disagreement or clarification required as to the interpretation or application of this SISP or the responsibilities of the Receiver or the Broker hereunder, the Court will have jurisdiction to hear such matters and provide advice and directions, upon application by the Receiver or the Applicant. For the avoidance of doubt, with respect to the Receiver’s role in regards to the SISP, the terms of the Receivership Order shall govern.

8. Subject to this SISP, the SISP may be modified by the Receiver in consultation with the Broker, with the consent and approval of the Stalking Horse Bidder, if, in the Receiver's reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the Service List in the Receivership shall be advised of any substantive modification to the procedures set forth herein.

### **Stalking Horse**

9. The Receiver has entered into the Stalking Horse Agreement with the Stalking Horse Bidder. In the SISP, the Receiver is soliciting superior offers to the Stalking Horse Agreement in respect of the Business and Property as determined by the Receiver in its sole discretion, in accordance with the criteria set out herein.

### **Notice and Solicitation of Interest**

10. As soon as reasonably practicable after the granting of an order approving the SISP (the "**SISP Order**"), but in any event no more than five (5) Business Days after the issuance of the SISP Order, the Broker and the Receiver will:
  - (a) prepare a list of Potential Bidders (a "**Bidder List**");
  - (b) prepare a marketing flyer (the "**Flyer**") describing the Opportunity and the intention of the Receiver to seek offers superior to the Stalking Horse Agreement, and attaching a form of non-disclosure agreement to be signed by Potential Bidders (an "**NDA**"); and
  - (c) cause a notice of the SISP (and such other relevant information which the Broker and Receiver consider appropriate) to be published in *The Globe and Mail* (National Edition), posted on the Receiver's Website, and posted on the Insolvency Insider Canada website (<https://insolvencyinsider.ca/>).

11. Thereafter, but by no later than six (6) Business Days after the issuance of the SISP Order, with the assistance of the Receiver, the Broker/Receiver will send the Flyer and NDA to all parties on the Bidder List; and the Broker/Receiver will send the Flyer and NDA to any other party who wishes to participate in the SISP who requests a copy of the Flyer or is identified to the Broker or the Receiver as a potential bidder (a "**Potential Bidder**") within a reasonable time of any such request that is provided before the Phase 1 Bid Deadline.

### **SISP – Phase 1**

12. During Phase 1 of the SISP, the Broker (under the supervision of the Receiver and in accordance with this SISP) will solicit non-binding offers from Potential Bidders to acquire the Property or to invest in the Business.
13. Any Potential Bidder who wishes to participate in the SISP must provide to the Broker an NDA executed by it. Upon executing an NDA and providing the same to the Broker, the Potential Bidder shall become a "**Participating Bidder**".

## **Due Diligence**

14. The Broker will provide each Participating Bidder with access to an electronic data room of due diligence information as well as access to such other due diligence materials and information relating to the Property and the Business as the Receiver, in its reasonable business judgment, in consultation with the Broker, determines to be appropriate. This may include, as appropriate, information or materials reasonably requested by Participating Bidders, on-site visits, and access to further information in the electronic data room.
15. At the request of a Participating Bidder, the legal and financial advisor(s) and/or lenders of such Participating Bidder, may also be granted access to the materials and information described in paragraph 14 provided that, in each case, any such advisor or lender (a) is reasonably acceptable to the Broker and Receiver; and (b) has executed or is bound by an NDA.
16. The Receiver, the Broker and the Companies, the Lenders and their respective contractors, advisors and consultants, make no representation or warranty as to the accuracy or completeness of the information (a) contained in the Flyer, the SISP or the electronic data rooms; (b) provided through the due diligence process in Phase 1 or Phase 2; or (c) otherwise made available, except, in the case of the Receiver only, to the extent expressly contemplated in any definitive agreement with a Successful Bidder executed and delivered in respect of the Property or the Business.
17. At no stage of the process shall any Participating Bidder make contact with any tenants or their representatives with respect to the Opportunity, without the express written consent of the Receiver in advance.

## **Phase 1 Bid Deadline: Non-Binding Qualified Phase 1 Bids**

18. A Participating Bidder that wishes to pursue a Sale Proposal or Investment Proposal must deliver a non-binding bid (a “**Phase 1 Bid**”) to the Broker and the Receiver at the addresses specified in Schedule “A” hereto (including by email transmission), so as to be received by the Broker and the Receiver not later than 5:00 PM (Eastern Time) February 27, 2026 (the “**Phase 1 Bid Deadline**”).

## **Qualified Offer**

19. Subject to paragraph 20, a Phase 1 Bid so submitted will be considered a qualified Phase 1 Bid (a “**Qualified Phase 1 Bid**”) only if:
  - (a) it is submitted by a Participating Bidder and received by the Broker and the Receiver on or before the Phase 1 Bid Deadline;
  - (b) it is accompanied by a letter setting forth:
    - (i) the identity of the Participating Bidder and full disclosure of any (i) entities and/or individuals that control the Participating Bidder and/or the beneficial owner (if any), with the power, directly or indirectly, to cause

the direction of the management and policies of the Participating Bidder and/or the beneficial owner (if any), whether through the ownership of voting securities, by contract, family relationship or otherwise; and (ii) any shareholders, unitholders and/or beneficiaries of the Participating Bidder and/or the beneficial owner (if any), holding, directly or indirectly, the shares, units and/or interest of the Participating Bidder and/or of the beneficial owner (if any);

- (ii) a statement that the Participating Bidder expects to be able to consummate the Sale Proposal or Investment Proposal on or before the Outside Date;
- (iii) whether the Participating Bidder is making a Sale Proposal or an Investment Proposal; and
- (iv) such other information as reasonably requested by the Receiver, in consultation with the Broker;

(c) in the case of a Sale Proposal, it includes the following:

- (i) a draft purchase agreement based on the Stalking Horse Agreement and accompanied by a mark-up of the Stalking Horse Agreement showing amendments and modifications made thereto in electronic Word format;
- (ii) the purchase price in Canadian dollars, including details of any liabilities to be assumed by the Participating Bidder;
- (iii) a specific indication of the sources of debt and equity (as applicable) capital/financing for the transaction and preliminary evidence of the sources of financing of the purchase price, the availability of such financing, steps necessary and associated timing to obtain such financing (with reference to the milestones and dates set forth in paragraph 5 of the SISP) and any related contingencies, as applicable, and such other financial information that will allow the Receiver and the Broker, and each of their respective advisors to make a reasonable business or professional judgment as to the Participating Bidder's financial or other capabilities to consummate the transaction;
- (iv) any anticipated corporate, unit holder, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (v) specific statements concerning the intended treatment of the Secured Creditors and other stakeholders;
- (vi) additional due diligence required to be conducted during Phase 2, if any;
- (vii) all conditions to closing that the Participating Bidder seeks;
- (viii) anticipated timing of closing of the proposed transaction; and

- (ix) any other terms or conditions of the Sale Proposal which the Participating Bidder believes are material to the transaction;

(d) in the case of an Investment Proposal, it identifies the following:

- (i) a detailed description of the structure of the proposed transaction, including the proposed quantum and timing of any payments to Lenders or others and the party or parties providing such payments and any proposed ongoing financing, together with the specific terms of any proposed ongoing financing, including the interest rate, term, debt service or other fees, redemption, prepayment or repayment attributes and any other material attributes;
- (ii) the aggregate amount of the payments and financing to be provided to the Business in Canadian dollars;
- (iii) specific indication of the sources of capital for the Participating Bidder and preliminary evidence of the availability of such capital and steps necessary and associated timing to obtain the capital and any related contingencies, or such other form of financial disclosure and credit-quality support or enhancement that will allow the Receiver, in consultation with the Broker and each of their respective advisors to make a reasonable business or professional judgment as to the Participating Bidder's financial or other capabilities to consummate the transaction;
- (iv) any anticipated corporate, unitholder, shareholder, internal, regulatory or court approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (v) specific statements concerning the intended treatment of Secured Creditors, and other stakeholders;
- (vi) additional due diligence required to be conducted during Phase 2, if any;
- (vii) all conditions to closing that the Participating Bidder seeks;
- (viii) anticipated timing of closing of the proposed transaction; and
- (ix) any other terms or conditions of the Investment Proposal which the Participating Bidder believes are material to the transaction.

20. In assessing the Phase 1 Bids, the Receiver, in consultation with the Broker, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified Phase 1 Bid. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

### **Assessment of Phase 1 Bids**

21. Promptly after the Phase 1 Bid Deadline, the Receiver, in consultation with the Broker:
  - (a) will review the Phase 1 Bids obtained by the Phase 1 Bid Deadline to determine whether they are Qualified Phase 1 Bids that meet the criteria set out in paragraph 19;
  - (b) will assess the Qualified Phase 1 Bids and consider, in consultation with the Broker, the following criteria, among other things (together, the "**Assessment Criteria**"):
    - (i) the form and amount of consideration offered;
    - (ii) the demonstrated financial capability of the Participating Bidder to consummate the proposed transaction and its relevant experience and expertise, including the Participating Bidder's prior experience in developing large high-rise residential and/or multi-family urban projects;
    - (iii) any and all conditions to the transaction remaining at this time and the steps to be taken to address them prior to the Phase 2 Bid Deadline;
    - (iv) the proposed treatment of the Secured Creditors and other stakeholders;
    - (v) the estimated time required to complete the proposed transaction and whether, in the Receiver's reasonable business judgment, it is reasonably likely to close on or before the Outside Date; and
    - (vi) the Qualified Bid Requirements (defined below); and
  - (c) to the extent required, may request clarification of the terms of Qualified Phase 1 Bids.
22. If at least one such Qualified Phase 1 Bid alone or together with other Qualified Phase 1 Bids are, in the opinion of the Receiver, in consultation with the Broker, superior to or competitive with the Stalking Horse Bid based on the Assessment Criteria then the Receiver, in consultation with the Broker, may select such Qualified Phase 1 Bid(s) to continue to Phase 2, with each such bidder deemed to be a "**Selected Bidder**"; provided that the Stalking Horse Bidder shall automatically be considered as a Selected Bidder.
23. If the Receiver, in consultation with the Broker, determines that no Qualified Phase 1 Bid is superior to or competitive with the Stalking Horse Bid based on the Assessment Criteria, and no bidder other than the Stalking Horse Bidder is deemed to be a Selected Bidder in Phase 2, then the Receiver shall deem the Stalking Horse Bid to be the Successful Bid and apply to the Court for approval of the Stalking Horse Bid (and in which case, for greater certainty, the SISP shall not proceed to Phase 2 nor shall an Auction be held).

## **Phase 2**

24. During Phase 2 of the SISP, the Broker (under the supervision of the Receiver and in accordance with this SISP) will solicit final binding proposals.

### **Due Diligence**

25. During Phase 2, each Selected Bidder that is not eliminated from the SISP in accordance with the terms of the SISP will be granted further access to such due diligence materials and information relating to the Property and the Business as the Receiver, in its reasonable business judgment, in consultation with the Broker, determines is appropriate and is available.

26. The legal and financial advisor(s) and/or lenders of such Selected Bidder, may also be granted access to the materials and information described in paragraph 25 provided that, in each case, any such advisor or lender (a) is reasonably acceptable to the Broker and Receiver; and (b) has executed or is bound by an NDA.

### **Final Bids from Selected Bidders**

27. A Selected Bidder that is not eliminated from the SISP and that wishes to pursue a Sale Proposal or Investment Proposal must deliver a final binding proposal (the “**Final Bid**”) containing:

- (a) in the case of a Sale Proposal, a duly authorized, executed purchase agreement based on the Stalking Horse Agreement and accompanied by a mark-up of the Stalking Horse Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Selected Bidder with all exhibits and schedules thereto;
- (b) in the case of an Investment Proposal, a duly authorized and executed investment and/or credit agreement,

to the Broker and the Receiver at the addresses specified in Schedule “A” hereto (including by email transmission) so as to be received by them not later than 5:00 pm (Eastern Time) on March 20, 2026 (the “**Phase 2 Bid Deadline**”).

The Stalking Horse Agreement is and shall be deemed to be a Final Bid and a Qualified Bid, and the Stalking Horse Bidder is and shall be deemed to be a Selected Bidder and an Auction Bidder.

### **Qualified Bids**

28. A Final Bid will be considered a Qualified Bid (a “**Qualified Bid**”) only if it is received by the Phase 2 Bid Deadline and complies with, among other things, the following requirements (the “**Qualified Bid Requirements**”):

- (a) it includes a letter stating that the offer is binding upon the Selected Bidder and irrevocable until the earlier of (i) the approval by a court of competent jurisdiction of a Successful Bid; and (ii) 40 days following the Phase 2 Bid Deadline,

provided that if such Selected Bidder is selected as the Successful Bidder, its offer will remain irrevocable until the closing of the transaction with such Successful Bidder;

- (b) it must have a proposed purchase price equal to or greater than that contained in the Stalking Horse Agreement;
- (c) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Receiver, in consultation with the Broker, to make a reasonable determination as to the Selected Bidder's financial and other capabilities to consummate the transaction contemplated by its Final Bid;
- (d) in respect of a Sale Proposal, it sets out the Property to be included and includes full details in relation to any Property excluded from the bid and any proposed assistance to be provided by the Selected Bidder with respect to realizing on such excluded assets and the basis therefor (with specific terms). In respect of an Investment Proposal, it sets out the terms of the transaction; any anticipated corporate, unitholder, shareholder, internal, regulatory, creditor or court approvals required to close the transaction; the anticipated time frame and any anticipated impediments for obtaining such approvals; details of any proposed financing; any Property to be divested or disclaimed prior to closing; details of whether the transaction has the support of the Secured Creditors and other stakeholders; and details regarding the manner in which unpaid post-receivership costs and obligations incurred by the Receiver will be addressed;
- (e) it includes full details of the proposed treatment of the Secured Creditors and any unsecured creditors;
- (f) it includes details of any liabilities to be assumed by the Selected Bidder (for the avoidance of doubt, the Secured Creditors shall have no obligation to continue to provide any financing in connection with the Property);
- (g) it is not conditional upon any condition, including but not limited to:
  - (i) the outcome of unperformed due diligence by the Selected Bidder; or
  - (ii) obtaining financing;
- (h) it fully discloses the identity of any (i) entities and/or individuals that control the Selected Bidder and/or the beneficial owner (if any), with the power, directly or indirectly, to cause the direction of the management and policies of the Selected Bidder and/or the beneficial owner (if any), whether through the ownership of voting securities, by contract, family relationship or otherwise; and (ii) any shareholders, unitholders and/or beneficiaries of the Selected Bidder and/or the beneficial owner (if any), holding, directly or indirectly, the shares, units and/or interest of the Selected Bidder and/or of the beneficial owner (if any), in each case

that will be sponsoring or participating in the bid, and the complete terms of such participation;

- (i) it identifies with particularity the other contracts and leases the bidder wishes to assume and reject, contains full details of the bidder's proposal for the treatment of such purchase agreements, other contracts and leases; and it identifies with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;
- (j) it provides a timeline to closing on or before the Outside Date with critical milestones, if any;
- (k) it includes evidence, in form and substance reasonably satisfactory to the Receiver and the Broker, of irrevocable authorization and approval from the Selected Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Final Bid;
- (l) it is accompanied by a deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of the Receiver, in trust, in an amount no less than ten percent (10%) of the proposed purchase price, to be held and dealt with in accordance with the terms of this SISP;
- (m) it contains other information reasonably requested by the Receiver directly, or through the Broker;
- (n) the Receiver, in consultation with the Broker, determines that, in its reasonable business judgment, it is likely that the Selected Bidder will be able to consummate a Sale Proposal or Investment Proposal on or before the Outside Date in a manner that complies with all requirements of the SISP;
- (o) in the case of a Sale Proposal, it includes an acknowledgement and representation that the Selected Bidder (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement; and
- (p) in the case of an Investment Proposal, it includes an acknowledgement and representation that the Selected Bidder (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business or financing of the

Applicant or the completeness of any information provided in connection therewith, except as expressly stated in the Investment Agreement;

29. The Receiver, in consultation with the Stalking Horse Bidder and the Broker, may waive compliance with any one or more of the requirements specified above (except the requirements contained in paragraph 28(n) of this SISP and any condition that in the Receiver's view cannot be met by the Auction Date, which may not be waived), and deem such non-compliant bids to be Qualified Bids.
30. If one or more Qualified Bids are received in Phase 2 and the Receiver, in consultation with the Broker, determines there is a reasonable prospect of obtaining a Successful Bid, then the SISP shall continue to an Auction.
31. If the Receiver, in consultation with the Broker, determines that no Qualified Bid has been received in Phase 2 or there is no reasonable prospect of obtaining a Successful Bid, then the Stalking Horse Agreement shall be deemed to be the Successful Bid hereunder.

### **Auction**

32. If the Receiver receives at least one Qualified Bid (other than the Stalking Horse Bid), the Receiver will conduct and administer an auction (the "**Auction**") in accordance with the terms of the SISP.
33. The Auction shall be held on or before March 23, 2026 (or such later date as the Receiver, in consultation with the Broker, may determine, the "**Auction Date**") and may be held by teleconference, video conference, other form of electronic communications, or otherwise, in the discretion of the Receiver, in consultation with the Broker. Instructions to participate in the Auction will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction Date. Only the authorized representatives (including counsel and other advisors) of each of the auction bidders (the "**Auction Bidders**"), the Broker and the Receiver shall be permitted to attend at the Auction, except with prior consent of the Receiver.
34. Prior to the Auction, the Receiver shall (a) with reference to the Evaluation Criteria (as defined below), determine the highest and/or best Qualified Bid (the "**Initial Best Bid**"); and (b) disclose to the Auction Bidders the key economic and business terms from the Qualified Bids of each Auction Bidder, including, at minimum, the key economic and business terms that the Receiver determines, in its reasonable discretion and after consultation with the Broker, affect comparability of the bids in the Auction, to the extent such terms differ from the terms in the Stalking Horse Agreement (the "**Material Terms**"). Such Material Terms will include, without limitation: (i) the total consideration, including the purchase price and assumed obligations; (ii) the treatment of creditors and other stakeholders; (iii) any terms that may cause delay or closing risk; and (iv) any other reasons why such bid is viewed by the Receiver as the highest and/or best bid (provided that such determination shall be made with reference to the Qualified Bid Requirements).
35. Representatives from the Receiver or its advisors shall conduct the Auction.

36. In each round of the Auction (including the initial round), the Auction Bidders that have not been eliminated from the Auction shall have the opportunity to submit a bid (an "**Over Bid**") that is equal to or greater than the Minimum Over Bid (defined below) for that round. The Over Bid in each round must continue to meet the Qualified Bid Requirements.
37. Any bid made at the Auction subsequent to the Receiver's announcement of the Initial Best Bid must proceed in minimum additional cash increments of \$250,000 (the "**Minimum Over Bid**").
38. At the end of the first round and each round thereafter, the Receiver shall (a) determine the highest and/or best bid made in such round with reference to criteria, including, but not limited to the following (the "**Evaluation Criteria**") : (i) the purchase price and net value (including assumed liabilities and other obligations to be performed by the bidder); (ii) the firm, irrevocable commitment for financing the transaction; (iii) the counterparties to the transaction; (iv) the terms of the transaction documents; (v) other factors affecting the speed, certainty and value of the transaction; (vi) planned treatment of stakeholders (vii) the assets included or excluded from the bid and proposed assistance in relation to excluded assets; (viii) any transition services required post-closing and any related restructuring costs; and (ix) the likelihood and timing of consummating the transaction (in each round, the "**Round Winning Bid**"); and (b) shall provide all Auction Bidders that are continuing in the Auction in the relevant round, with a summary of the Material Terms of the Round Winning Bid.
39. Any Auction Bidder that does not submit an Over Bid in any round shall be eliminated from and not be entitled to participate further in the Auction.
40. The Receiver, in consultation with the Broker, may adjourn the Auction at any time(s) as deemed necessary or appropriate in its reasonable business judgement, to, among other things:
  - (a) facilitate discussions between the Receiver, Broker and individual Auction Bidders;
  - (b) allow individual Auction Bidders to consider how they wish to proceed;
  - (c) consider the current Over Bids and the Evaluation Criteria and determine the current Round Winning Bid; and
  - (d) give Auction Bidders the opportunity to provide the Receiver and Broker with such additional evidence as they may require.
41. The Auction shall continue until no Over Bids are received in a round in which case the Auction shall be closed and the Receiver shall confirm if the Round Winning Bid from the prior round is, in the view of the Receiver acting reasonably, capable of being completed, in which case it shall be the "**Successful Bid**". The Receiver and the Broker shall also be entitled to select the next highest and/or best Over Bid received as a back-up

bid (such offer, the "**Backup Bid**" and the Participating Bidder(s) who made the Backup Bid, the "**Backup Bidder**").

42. All other rules and decisions as to the format and other procedures for the Auction shall be determined by the Receiver in its sole discretion and the Receiver may, with the assistance of its advisors and, in consultation with the Broker, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction and that are not inconsistent with any of the provisions of this SISP. This includes that, to the extent an Investment Proposal involving a restructuring, recapitalization or other form of reorganization of the business and affairs of the Companies in relation to the Real Property is proposed and the Receiver, after consultation with the Broker and subject to the Qualified Bid Requirements, considers it appropriate for such bidder to participate in the Auction in light of the value to be received for the benefit of the Companies' creditors and other stakeholders pursuant to that bid, then the Receiver may adopt appropriate rules to facilitate such bidder's participation in the Auction, provided such rules do not offend the principles of this SISP.

#### **Approval Motion for Successful Bid**

43. The Receiver will apply to the Court (the "**Approval Motion**") for an order approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid, and will make any application to any other court of competent jurisdiction considered by the Receiver, in consultation with the Broker, to be necessary or appropriate to give effect to the Successful Bid.
44. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Receiver not later than March 31, 2026 (or such later date as the Receiver, in consultation with the Broker, may determine). The Approval Motion may be adjourned or rescheduled by the Receiver without further notice by an announcement of the adjourned date at the Approval Motion.
45. Unless and until the Successful Bid is approved by the Court, it shall not be deemed accepted by the Receiver.
46. All Qualified Bids (other than the Successful Bid and the Backup Bid) will be deemed rejected on the date of approval of the Successful Bid by the Court.
47. If a Backup Bid is identified in accordance with these SISP Procedures, then such Backup Bid shall remain open until the consummation of the transaction contemplated by the Successful Bid (the "**Backup Bid Expiration Date**") at which time the Backup Bid will be deemed rejected.
48. If, following approval of the Successful Bid transaction by the Court, the Successful Bidder fails to consummate the transaction for any reason, then the Backup Bid, if there is one, will be deemed to be the Successful Bid and the Receiver shall effectuate a

transaction with the Backup Bidder, within 30 days, subject to the terms of the Backup Bid, without further order of the Court.

### **Other Terms**

#### **Deadlines and Returning to Court**

49. The Phase 1 Bid Deadline, the Phase 2 Bid Deadline and the Targeted Closing Date may be extended by the Receiver if it considers it appropriate to do so, after consultation with the Broker and with the consent of the Stalking Horse Bidder. At any time during the SISP if the Receiver, in consultation with the Broker, determines it is appropriate to do so, the Receiver may, upon reasonable prior notice to the Stalking Horse Bidder, apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder, seek approval of the Stalking Horse Agreement, seek approval to terminate the SISP or seek advice and directions with respect to the SISP and/or any proposal received.

#### **Deposits**

50. All Deposits will be retained by the Receiver and deposited in a non-interest bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Selected Bidders or, if applicable, the Stalking Horse Bidder not selected as the Successful Bidder or Back-up Bidder will be returned to such bidders within 5 Business Days of the date upon which the Successful Bid is approved by the Court (and, for greater certainty, the Receiver shall be entitled to continue to hold the Deposit in respect of the Backup Bid until the Backup Bid Expiration Date).
51. If a Successful Bidder breaches its obligations under the terms of the SISP, its Deposit shall be forfeited as liquidated damages and not as a penalty.

#### **Approvals**

52. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the Receivership Order or any other statute or as otherwise required at law in order to implement a Successful Bid.

#### **No Contract**

53. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Receiver, the Broker or the Companies and any bidder, other than as specifically set forth in a definitive agreement that may be signed in respect of the Property or the Business.

**Schedule "A"**

**Address for Notices and Deliveries**

To the Receiver:

**Albert Gelman Inc.**  
150 Ferrand Dr., Suite 1503,  
Toronto, Ontario M3C 3E5

Attn: Adam Zeldin  
Direct Dial: (416) 504-1650 ext. 129  
Facsimile: (416) 504-1655  
E-mail: [azeldin@albertgelman.com](mailto:azeldin@albertgelman.com)

To the Broker:

**Lennard Commercial Realty, Brokerage**  
55 University Ave., Suite 200  
Toronto, ON M5J 2H7

Attn: Michael Zeldin  
Direct Dial: (416) 649-5942  
Facsimile: (416) 649-5924  
E-mail: [mzeldin@lennard.com](mailto:mzeldin@lennard.com)

- 2 -  
**Appendix “A” – Defined Terms**

The following capitalized terms have the following meanings when used in this SISP:

- (a) “Applicant” is defined in the Introduction.
- (b) “Approval Motion” is defined in paragraph 43.
- (c) “Assessment Criteria” is defined in paragraph 21(b).
- (d) “Auction” is defined in paragraph 32.
- (e) “Auction Bidders” is defined in paragraph 33.
- (f) “Auction Date” is defined in paragraph 32.
- (g) “Backup Bid” is defined in paragraph 41.
- (h) “Backup Bid Expiration Date” is defined in paragraph 47.
- (i) “Backup Bidder” is defined in paragraph 41.
- (j) “Bidder List” is defined in paragraph 10(a).
- (k) “Broker” is defined in the Introduction.
- (l) “Business” is defined in the Introduction.
- (m) “Business Day” means a day (other than Saturday or Sunday) on which the Secured Creditors are generally open for business in each of Victoria, British Columbia and Toronto, Ontario.
- (n) “Company” is defined in the Introduction.
- (o) “Court” means the Ontario Superior Court of Justice (Commercial List).
- (p) “Deposit” is defined in paragraph 28(l).
- (q) “Evaluation Criteria” is defined in paragraph 38.
- (r) “Final Bid” is defined in paragraph 27.
- (s) “Flyer” is defined in paragraph 10(b).
- (t) “Initial Best Bid” is defined in paragraph 34.
- (u) “Investment Proposal” is defined in paragraph 2(b).
- (v) “Lender” is defined in the Introduction.
- (w) “Material Terms” is defined in paragraph 34.

- (x) "Minimum Over Bid" is defined in paragraph 37.
- (y) "NDA" is defined in paragraph 10(b).
- (z) "Opportunity" is defined in paragraph 2.
- (aa) "Outside Date" means April 30, 2026 or such later date as may be ordered by the court or agreed to by the Receiver, the Broker and the Stalking Horse Bidder.
- (bb) "Over Bid" is defined in paragraph 36.
- (cc) "Participating Bidder" is defined in paragraph 13.
- (dd) "Potential Bidder" is defined in paragraph 11.
- (ee) "Phase 1 Bid" is defined in paragraph 18.
- (ff) "Phase 1 Bid Deadline" is defined in paragraph 18.
- (gg) "Phase 2 Bid Deadline" is defined in paragraph 27.
- (hh) "Property" is defined in the Introduction.
- (ii) "Qualified Bid" is defined in paragraph 28.
- (jj) "Qualified Phase 1 Bid" is defined in paragraph 19.
- (kk) "Qualified Bid Requirements" is defined in paragraph 28.
- (ll) "Real Property" is defined in the Introduction.
- (mm) "Receiver" is defined in the Introduction.
- (nn) "Receiver's Borrowings" means the funds borrowed by the Receiver from the Applicant as provided for at paragraph 22 of the Receivership Order, as may be amended.
- (oo) "Receivership Materials" is defined in the Introduction.
- (pp) "Receivership Order" is defined in the Introduction.
- (qq) "Round Winning Bid" is defined in paragraph 38.
- (rr) "Sale Proposal" is defined in paragraph 2(a).
- (ss) "Secured Creditors" is defined in the Introduction.
- (tt) "Selected Bidder" is defined in paragraph 22.
- (uu) "SISP" is defined in the Introduction.

- (vv) “Stalking Horse Agreement” is defined in the Introduction.
- (ww) “Stalking Horse Bidder” is defined in the Introduction.
- (xx) “Successful Bid” is, in the event of an Auction, as defined in paragraph 41, and otherwise means the Stalking Horse Bid in the event that there is no Qualified Phase 1 Bid or no Qualified Bid pursuant to the terms of this SISP .
- (yy) “Successful Bidder” means the bidder that submits the Successful Bid.
- (zz) “Targeted Closing Date” means April 20, 2026.
- (aaa) “Third Mortgagee” is defined in the Introduction.
- (bbb) “Vendor Take-Back Mortgage” is defined in the Introduction.