

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

**BETWEEN:**

**DOWNING STREET FINANCIAL INC.**

Applicant

-and-

**HARMONY VILLAGE-SHEPPARD INC. AS GENERAL PARTNER OF  
HARMONY VILLAGE-SHEPPARD LP and CITY CORE DEVELOPMENTS INC.**

Respondents

**SUPPLEMENTARY REPORT TO SECOND REPORT OF ROSEN GOLDBERG INC.**

**April 6, 2017**

## **I PURPOSE OF SUPPLEMENTARY REPORT**

1. The purpose of this Supplementary Report to the Second Report of Rosen Goldberg Inc. (the “**Receiver**”) is to regrettably inform the Court that Fortress Sheppard (2016) Inc. (“**Fortress**”) has repudiated the Agreement of Purchase and Sale (the “**Agreement**”) which is the subject of the Approval and Vesting Order sought by the Receiver on this Motion.
  
2. At 3:02 p.m. today the Receiver’s counsel received a letter from Robins Appleby LLP, counsel to Fortress, advising that Fortress would not complete the purchase of the Property pursuant to the Agreement. A copy of that letter is attached as **Appendix “A”**.
  
3. Counsel for Fortress has acknowledged that the “Deposit” (as defined in the Agreement) is forfeited to the Receiver in accordance with section 3.5(c) of the Agreement.
  
4. As a next step, the Receiver proposes to contact those parties who expressed an interest in the Property during the Stalking Horse Process to invite them to submit offers.

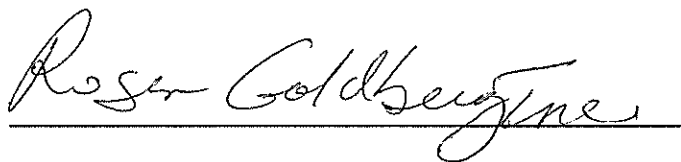
## **II RECOMMENDATION**

5. In the circumstances, the Receiver seeks an Order declaring that the Agreement is terminated, the Deposit is forfeited to the Receiver and directing the Receiver to continue marketing the Property for sale.

All of which is respectfully submitted.

Dated at Toronto, Ontario, this 6<sup>th</sup> day of April, 2017.

**ROSEN GOLDBERG INC., SOLELY IN ITS CAPACITY AS  
COURT-APPOINTED RECEIVER OF THE RESPONDENTS  
AND NOT IN A PERSONAL OR CORPORATE CAPACITY**

  
A handwritten signature in cursive script, reading "Roger Goldbergrne", is written over a solid horizontal line.

# APPENDIX “A”



**ROBINS APPLEBY**  
BARRISTERS + SOLICITORS

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Delivered by: E-Mail  
File No.: 1600815

April 6, 2017

Dickinson Wright LLP  
2200-199 Bay Street  
Commerce Court West  
Toronto, ON M5L 1G4

Attention: David Preger

Dear David:

**Re: Agreement of Purchase and Sale, dated January 17, 2017 (the "Purchase Agreement") between Fortress Harmony Sheppard (2016) Inc. (the "Purchaser") and Rosen Goldberg Inc. solely in its capacity as Receiver for Harmony Village – Sheppard Inc. and general partner of Harmony Village – Sheppard LP and not in its personal capacity (the "Receiver")**

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As you know, we are the lawyers for the Purchaser.

Please be advised that the Purchaser will not complete the purchase of the property municipally known as 3260 Sheppard Ave E, Toronto Ontario and legally set out in PIN No. 06139-0175(LT) (the "Property") pursuant to the terms of the Purchase Agreement.

Please be advised that the Purchaser reserves its rights to submit a new offer to the Receiver to purchase the Property on different terms at a later date.

If you have any questions, please contact me at the above coordinates.

Yours very truly,

**ROBINS APPLEBY LLP**

Per:



Dominique Michaud

DM:wj

cc: client