

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

B E T W E E N

AFC MORTGAGE ADMINISTRATION INC.

Applicant

-and-

WASAGA HEIGHTS INC., SOHAIL SIDDIQUI

Respondents

IN THE MATTER OF AN APPLICATION UNDER S. 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. C43, AS AMENDED

MOTION RECORD

January 5, 2026

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TO: **THE SERVICE LIST**

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

BETWEEN:

AFC MORTGAGE ADMINISTRATION INC.

Applicant

- and -

WASAGA HEIGHTS INC., SOHAIL SIDDIQUI

Respondents

APPLICATION UNDER 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

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AND TO:	<p>OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7</p> <p>Email: osbservice-bsfservice@ised-isde.gc.ca</p>
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TAB 1

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

B E T W E E N

AFC MORTGAGE ADMINISTRATION INC.

Applicant

-and-

WASAGA HEIGHTS INC., SOHAIL SIDDIQUI

Respondents

**IN THE MATTER OF AN APPLICATION UNDER S. 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. C43, AS AMENDED**

**NOTICE OF MOTION
(Sale Process Order)
(Returnable January 14, 2026)**

Rosen Goldberg Inc. (“**RGI**”), in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all assets, undertakings and properties of Wasaga Heights Inc. (the “**Debtor**”), including the lands and premises owned by the Debtor municipally referred to as 123 45th Street South, Wasaga, Ontario, and legally described under PIN 58316-0770 (LT) (the “**Wasaga Property**”), will make a motion before the Honourable Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on Wednesday, January 14, 2026 at 10:00 am, or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard

- In writing under subrule 37.12.1 (1) because it is (*insert one of* on consent, unopposed *or* made without notice);
- In writing as an opposed motion under subrule 37.12.1 (4);
- In person;

By telephone conference;

By video conference.

At the following location: zoom videoconference details to be uploaded to Case Center in advance of the hearing.

THE MOTION IS FOR:

1. An order (the “**Sale Procedure Order**”) substantially in the form of the draft order attached at Tab 3 of the Receiver’s Motion Record dated January 5, 2026 (the “**Motion Record**”), among other things:
 - (a) Approving a sale procedure (the “**Sale Procedure**”), in the form attached as Schedule “A” to the proposed Sale Procedure Order, for the sale of the Property;
 - (b) Approving a proposed stalking horse agreement of purchase and sale dated December 19, 2025, (as amended, restated, or otherwise modified from time to time, the “**Stalking Horse APS**”) between the Receiver, as vendor, and KCAP Holdings Corporation, in trust for a company to be incorporated (the “**Stalking Horse Bidder**”), as purchaser, including the Break Fee (as defined below) provided for therein, solely for the purpose of constituting the “stalking horse bid” (the “**Stalking Horse Bid**”) in the Sale Procedure; and
 - (c) Approving the first report of the Receiver dated January 5, 2026 (the “**First Report**”) and the activities described therein;¹
2. such further and other relief as counsel may advise and as this Court deems just.

THE GROUNDS FOR THIS MOTION ARE

Background

1. The Debtor is a company incorporated pursuant to the laws of the Province of Ontario.

2. The Debtor's primary asset is the Wasaga Property. The Wasaga Property consists of approximately 15.4 acres of vacant and undeveloped land. Prior to the granting of the Receivership Order, the Debtor had been pursuing a subdivision agreement with the Town of Wasaga Beach for the creation of a mixed-use condominium townhouse and commercial development. Development of the Wasaga Property has not commenced.
3. On September 11, 2025, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an order (the "**Receivership Order**") pursuant to section 241(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**") and section 101 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), appointing RGI as Receiver of the Debtor and the Property.
4. The application for the Receivership Order was brought by AFC Mortgage Administration Inc. ("**AFC**"), the Debtor's senior secured creditor. As at January 4, 2026, the Debtor is indebted to AFC in the approximate amount of \$7,076,736.98, plus interest, costs and expenses which continue to accrue.

The Sale Procedure and the Stalking Horse APS

5. Following its appointment, the Receiver learnt, through discussions with AFC, that the Stalking Horse Bidder, an arms-length party to the Debtor, was interested in putting forward a stalking horse bid for the Property. Following negotiation with the Stalking Horse Bidder and its advisors, and in consultation with AFC, the Receiver entered into the Stalking Horse APS.
6. The Receiver, in consultation with AFC, has determined that it is appropriate at this time to initiate the Sale Procedure in respect of the Property.
7. The purpose of the Stalking Horse APS is to, among other things, set a "floor price" for the Property, and provides the Receiver with the opportunity to determine whether a higher and better

¹ Capitalized terms used in this Notice of Motion and not otherwise defined herein have the meanings ascribed to

offer can be achieved. Should this Court approve the Stalking Horse APS, the Listing Agreement, and the Sale Procedure, the Property will be marketed for approximately 30 days by the Receiver through a listing agent to test the market and determine whether there are any better bids for the Property.

8. The Receiver, has engaged Lennard to act as listing agent for the Wasaga Property.
9. The key terms of the Sale Procedure and the Stalking Horse APS are summarized in the First Report.
10. The approval of the Stalking Horse APS, solely for the purposes of acting as a stalking horse bid in the Sale Procedure, is fair and reasonable in the circumstances as, among other things:
 - (a) It is supported by AFC, the Debtor's senior secured lender with an interest in the Wasaga Property;
 - (b) It will provide a floor price for the Property and will encourage a timely completion of any sale; and
 - (c) The Break Fee in the Stalking Horse APS is consistent with comparable break fees approved in prior Canadian insolvency proceedings.
11. The Receiver believes that the proposed Sale Procedure is reasonable and should be approved for, among other things, the following reasons:
 - (a) The Sale Procedure provides for a fair, open and transparent process, intended to facilitate a broad marketing of the Property to obtain the highest and best price;
 - (b) The bidding procedures contemplated under the Sale Procedure provide an opportunity to complete a transaction with a value greater than that provided for under the Stalking Horse APS;

- (c) The duration of the Sale Procedure is sufficient to provide interested parties with an opportunity to perform due diligence on the Property and submit an offer; and
- (d) AFC, the Debtor's senior secured lender, is supportive of the Sale Procedure, the Stalking Horse APS and the Break Fee.

Other Grounds

- 12. Rules 1.04, 1.05, 2.03, 3.02, 16, and 37 of the Ontario *Rules of Civil Procedure*, R.R.O.1990, Reg. 194, as amended;
- 13. Section 243(1) of the BIA; and
- 14. Such further and other grounds as counsel for the Receiver may advise and this Court may permit.

DOCUMENTARY EVIDENCE

- 15. The following documentary evidence will be used at the hearing of the motion:
 - (a) The First Report of the Receiver dated January 5, 2026, including the appendices thereto; and
 - (b) Such further and other materials as counsel for the Receiver may advise and as this Court may permit.

Date: January 5, 2026

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Lawyers for the Receiver

AFC MORTGAGE ADMINISTRATION INC.

Applicant

-AND- WASAGA HEIGHTS INC., SOHAIL SIDDIQUI

Respondents

APPLICATION UNDER 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

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

Proceeding commenced at Toronto

NOTICE OF MOTION

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Lawyers for the Receiver

TAB 2



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

BETWEEN

AFC MORTGAGE ADMINISTRATION INC.

Applicant

-and-

WASAGA HEIGHTS INC., SOHAIL SIDDIQUI

Respondents

**IN THE MATTER OF AN APPLICATION UNDER S. 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. C43, AS AMENDED**

**FIRST REPORT TO THE COURT SUBMITTED BY ROSEN GOLDBERG INC. IN ITS
CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER**

January 5, 2026



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Introduction and Background to the Receivership Proceedings

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on September 11, 2025 (the “**Receivership Order**”), Rosen Goldberg Inc. (“**Rosen Goldberg**”) was appointed as the receiver and manager (the “**Receiver**”), without security, of all assets, undertakings and properties of Wasaga Heights Inc. (the “**Debtor**”) including the lands and premises owned by the Debtor municipally referred to as 123 45th Street South, Wasaga, Ontario, and legally described under PIN 58316-0770 (LT) (the “**Wasaga Property**”, and collectively with all other assets, undertakings and property of the Debtor, the “**Property**”). A copy of the Receivership Order is attached as **Appendix “1”**.
2. The application to appoint the Receiver was brought by AFC Mortgage Administration Inc. (“**AFC**”), the Debtor’s senior secured creditor.
3. A hearing of AFC’s application to appoint the Receiver was originally returnable before the Court on August 5, 2025 (the “**August 5 Hearing**”). At the August 5 Hearing, the Debtor requested, and the Court granted, an adjournment of the hearing until September 11, 2025 to provide the Debtor with an opportunity to retain counsel and respond to the Application. A copy of the endorsement issued by the Honourable Justice J. Dietrich following the August 5 Hearing is attached as **Appendix “2”**.
4. On September 11, 2025, the Honourable Justice J. Dietrich issued an endorsement with the Court’s reasons for granting the Receivership Order (the “**Receivership Order Endorsement**”), a copy of which is attached as **Appendix “3”**. The Receivership Order Endorsement included a reference to statements made by AFC during the hearing that, in order to provide the Debtor with an opportunity to redeem, the Receiver, upon its appointment, would preserve the Property and register the Receivership Order on title to the Wasaga Property (as defined below), but would not



take any additional active steps for two weeks. The Receiver complied with these terms of the Receivership Order Endorsement.

5. The Receivership Order, together with copies of Court documents filed in the receivership proceedings to date are available on the Receiver's Website at:

https://www.rosengoldberg.com/company-files.php?company_id=125

Purposes of this Report

6. The Receiver prepared this first report to the Court (the "**First Report**") for the following purposes:

- (a) Summarize the Receiver's activities since the granting of the Receivership Order;
- (b) Provide the Court with background information regarding the Wasaga Property (as defined below);
- (c) Summarize and describe the proposed sale procedure (the "**Sale Procedure**") for the Property, substantially in the form attached as **Appendix "4"**;
- (d) Summarize the terms of an agreement of purchase and sale dated December 19, 2025 (as amended, restated, or otherwise modified from time to time, the "**Stalking Horse APS**"), attached hereto as **Appendix "5"**, between the Receiver, as vendor, and KCAP Holdings Corporation, in trust for a company to be incorporated (the "**Stalking Horse Bidder**"), as purchaser, that, subject to Court approval, would serve as a "stalking horse" bid in the Sale Procedure;
- (e) Recommend that this Court issue an order (the "**Sale Procedure Order**"), among other things
 - i) Approving the Sale Procedure;
 - ii) Approving the Stalking Horse APS solely for the purpose of acting as the "stalking horse" bid in the Sale Procedure;



- i) Approving the Break Fee (as defined below) in favour of the Stalking Horse Bidder;
- ii) Approving this First Report and the Receiver's activities as described herein; and

Terms of Reference and Disclaimer

7. In preparing this First Report, the Receiver has relied upon information provided by the Debtor and AFC, the materials filed by AFC in support of its application for the Receivership Order, and other third-party sources (collectively, the "**Information**"). As the Information has been provided by other parties or obtained through the documents filed with the Court in these receivership proceedings, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would comply with Canadian Generally Accepted Assurance Standards. Accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
8. This First Report has been prepared for the use of the Court to provide general information and an update regarding the receivership proceedings for the purposes described above. This First Report should not be relied on for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.
9. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian Dollars.

Background

10. The background facts of these receivership proceedings are set out in the Affidavit of Adit Kumar sworn July 4, 2025, a copy of which is attached hereto as **Appendix "6"**, without exhibits.

The Debtor and the Wasaga Property

11. The Debtor is a company incorporated under the laws of the Province of Ontario.



12. The Debtor's primary asset is the Wasaga Property. The Wasaga Property consists of approximately 15.4 acres of vacant and undeveloped land. Prior to the Receivership Order, the Debtor was pursuing a subdivision agreement with the Town of Wasaga Beach for the creation of a mixed-use development consisting of, *inter alia*, 102 townhouse condominium units and an approximately 116,250-square-foot commercial development block.
13. The Receiver has, since its appointment, taken steps to secure the Property, including arranging for continued insurance coverage and attending the property on an intermittent basis.

Secured Creditors

14. A parcel register search for the Wasaga Property, current as of December 22, 2025, and attached as **Appendix "7"** shows the following charges registered against the Wasaga Property:
 - (a) A first registered charge in favour of 2251055 Ontario Inc. ("**225 Ontario**") in the principal amount of \$300,000, registered as instrument number SC1517147 on June 13, 2018 (the "**225 Ontario Charge**"); and
 - (b) A second registered charge in favour of AFC in the principal amount of \$3,640,000, registered as instrument number SC1933143 on September 27, 2022, as such charge was amended by a notice registered as instrument number SC2008063 on September 14, 2023 increasing the principal amount of the charge to \$4,475,000 (collectively, the "**AFC Charge**").
15. By registration of certain postponements against title to the Wasaga Property, 225 Ontario postponed the 225 Ontario Charge in favour of the AFC Charge.
16. Each of the 225 Ontario Charge and the AFC Charge, among other instruments registered on title to the Wasaga Property in favour of these creditors, are subject to postponements in favour of The Corporation of the Town of Wasaga Beach (the "**Town**") in respect of a notice registered pursuant



to section 71 of the *Land Titles Act* relating to a site plan agreement between the Debtor and the Town dated as of May 21, 2024.

17. A certified search of the Personal Property Security Registration System in Ontario, established pursuant to the *Personal Property Security Act* (Ontario) (the “PPSA”), attached as **Appendix “8”**, shows that AFC is the only party that has registered a PPSA registration against the Debtor’s personal property.

(i) AFC

18. Pursuant to a commitment letter dated as of September 23, 2022, AFC agreed to advance the principal amount of \$3,640,000 to the Debtor. Subsequently, AFC and the Debtor entered into a second commitment letter dated as of August 15, 2023 pursuant to which AFC agreed to increase the principal amount of the loan to the Debtor to \$4,475,000 (the “**AFC Loan**”).
19. As security for the AFC Loan, the Debtor granted AFC, among other things, (1) the AFC Charge, (2) a general assignment of rents, and (3) a general security agreement.
20. The maturity date under the Second AFC Commitment Letter was October 1, 2024.
21. The Debtor was unable to make payment of all amounts owing to AFC in full by the maturity date. As a result, on October 2, 2024, AFC and the Debtor entered into a forbearance agreement (the “**Forbearance Agreement**”) pursuant to which AFC agreed, among other things, to forbear from enforcing its rights until February 1, 2025. The Forbearance Agreement was subsequently amended twice to, among other things, extend the date for repayment of the AFC Loan until May 20, 2025.

(ii) 225 Ontario

22. As security for the 225 Ontario Loan, the Debtor granted 225 Ontario (1) the 225 Ontario Charge, and (2) a general assignment of rents. The Receiver has not received copies of the underlying loan documents of 225 Ontario.



The Stalking Horse APS

23. Following its appointment, the Receiver, through discussions with AFC, determined that the Stalking Horse Bidder was interested in putting forward an offer for the Property. Following extensive negotiation with the Stalking Horse Bidder and its advisors, and in consultation with AFC, the Receiver determined that the offer presented by the Stalking Horse Bidder provided for a reasonable floor price for the Property against which the market could be tested to determine whether any higher offer for the Property could be achieved. As a result, the Receiver entered into the Stalking Horse APS with the Stalking Horse Bidder.
24. Unless otherwise defined herein, capitalized terms used in this section have the meanings ascribed to them in the Stalking Horse APS, previously attached as Appendix "5".

Summary of Terms - Stalking Horse APS

25. The following paragraphs constitute a summary of the Stalking Horse APS only. Reference should be made directly to the Stalking Horse APS for the complete terms and conditions.
26. The key terms of the Stalking Horse APS are provided below:
- (a) **Proposed Purchaser/Stalking Horse Bidder:** KCAP Holdings Corporation in trust for a company to be incorporated;
 - (b) **Purchase Price:** seven million one hundred and fifty thousand dollars (\$7,150,000);
 - (c) **Deposit:** six hundred and fifty thousand dollars (\$650,000);
 - (d) **Closing Date:** between 5 and 20 business days after satisfaction of all conditions precedent;
 - (e) **Subject Assets:** include:
 - i) Wasaga Property;
 - ii) Assumed Contracts;
 - iii) Permitted Encumbrances; and
 - iv) All other personal property not contemplated by the foregoing;



- (f) **Excluded Assets:** All undertakings, property and assets of the Debtor other than the Subject Assets;
- (g) **Representations and Warranties:** the proposed transaction is on an “as-is, where-is” basis, with limited representations and warranties;
- (h) **Material Conditions:** include, among other things:
 - i) the Stalking Horse APS is the Successful Bid in the Sales Procedure; and
 - ii) the Court grants an Approval and Vesting Order and that order is final.
- (i) **Termination:** the Stalking Horse APS may be terminated prior to Closing, among other things, (i) upon the selection by the Receiver of a Successful Bid if the Stalking Horse APS is neither the Successful Bid nor the Back-up Bid; (ii) upon the Closing of the Successful Bid if the Stalking Horse APS is the Back-up Bid; or (iii) and if the Stalking Horse APS does not close by the Outside Date of May 29, 2026.
- (j) **Break Fee:** One hundred and eighty-seven thousand five hundred dollars (\$187,500) (the “Break Fee”), as described in further detail below.

Break Fee

- 27. The Stalking Horse APS includes a break fee of \$187,500, representing 2.62% of the Purchase Price. The Break Fee is intended to compensate the Stalking Horse Bidder for its agreement to act as the stalking horse bidder, and its expenditure of time and resources in preparing and negotiating the Stalking Horse APS and conducting due diligence in connection therewith. Payment of the Break Fee is conditional upon an alternative transaction being completed, and the Break Fee is payable from the proceeds of such alternative transaction. The Break Fee is supported by AFC.
- 28. The Receiver is of the view that the Break Fee is not punitive in nature, nor will it discourage competitive bidding pursuant to the Sale Procedure.



29. The Receiver has compared the Break Fee under the Stalking Horse APS to other bid protections and break fees that have been approved by Canadian Courts in insolvency proceedings commenced between January 2023 and November 2025. This comparison is attached as **Appendix “9”**.¹ Based on the Receiver’s review of this comparison, the Receiver is of the view that the Break Fee falls in the mid-range of reasonable bid protections in comparable insolvency proceedings and is fair given the time and expense invested by the Stalking Horse Bidder in negotiating and preparing the Stalking Horse APS.

The Receiver’s View on the Stalking Horse APS

30. The Receiver is of the view that the proposed Stalking Horse APS is fair and reasonable in the circumstances, and that it is in the best interests of the Debtor’s stakeholders. The Stalking Horse APS provides the Receiver the opportunity to maximize value while protecting downside risk in the event that a superior transaction is not identified. AFC, the Debtor’s senior secured lender, is supportive of the Sale Procedure and the Stalking Horse APS as a stalking horse bid. For the foregoing reasons, the Receiver recommends that the Stalking Horse APS be approved to act as the stalking horse bid in the Sale Procedure.

The Sale Procedure

31. The purpose of the Sale Procedure is intended to, among other things, broadly market the Property for sale to determine whether a higher or better offer is available, while providing certainty to the Debtor’s stakeholders, in particular its senior creditor, by setting a “floor” value for any sale transaction in respect of the Property.
32. The Sale Procedure contemplates the Receiver retaining a listing agent. The Receiver has decided to retain Lennard Commercial Realty Investment as listing agent after soliciting multiple listing proposals.

¹ Sourced from Insolvency Insider.



Summary of the Sale Procedure

33. Unless otherwise defined herein, capitalized terms used in this section have the meanings ascribed to them in the Sale Procedure, previously attached hereto as Appendix “4”.
34. Subject to this Court’s approval of the Sale Procedure Order, the Sale Procedure will establish the process and procedure pursuant to which the Receiver will test the market and seek offers superior to the Stalking Horse APS for the Property. The Sale Procedure was designed to be relatively streamlined and short to maximize recoveries for the Debtor’s stakeholders, considering interest and costs in respect of the indebtedness owing to the Debtor’s creditors, including AFC, continue to accrue.
35. The key milestones under the Sale Procedure are as follows:
 - (a) **Start of the Sale Procedure.** As soon as practicable following the granting of the Sale Procedure Order;
 - (b) **Qualified Bid Deadline.** 5:00 PM (ET) on the date that is 30 calendar days following the granting of the Sale Procedure Order (i.e. February 13, 2026);
 - (c) **Selection of Qualified Bid(s).** 5:00 PM (ET) on the date that is 32 calendar days following the granting of the Sale Procedure Order (i.e. February 15, 2026);
 - (d) **Auction (if required).** To be held within 2 Business Days of the Receiver determining whether an auction will take place;
 - (e) **Service of Motion Materials for the Approval and Vesting Order.** No later than 15 business days following the selection (or deemed selection) of the Successful Bid;
 - (f) **Closing Date for the Successful Bid.** As soon as reasonably practicable following the granting of the Approval and Vesting Order.
36. Considering the Wasaga Property is vacant, undeveloped land, the Receiver is of the view that the duration of the Sale Procedure is sufficient to allow interested parties to perform diligence and



submit offers for the Property. The duration of the Sale Procedure is consistent with the timeline and structure for sales processes involving a stalking horse bid in other Canadian insolvency proceedings.

Marketing Process

37. The Receiver, in cooperation and coordination with Lennard, is prepared to initiate marketing efforts immediately, should this Court grant the Sale Procedure Order.
38. The Receiver, in consultation and cooperation with Lennard, will:
 - (a) prepare and disseminate marketing materials, a process letter and a form of non-disclosure agreement (“NDA”) to potentially interested parties identified by Lennard and/ or the Receiver;
 - (b) provide potentially interested parties that have executed a NDA with access to a virtual data room containing due diligence information regarding the Property; and
 - (c) request that interested parties submit a binding offer meeting at least the requirements of a Qualified Bid (as set out below) by no later than the Qualified Bid Deadline.
39. Potential bidders that participate in the Sale Procedure will be required to submit Qualified Bids substantially in the form of the Stalking Horse APS, with necessary modifications, and submit Qualified Bids together with a redline comparison to the Stalking Horse APS.

Qualified Bid(s)

40. In order to constitute a Qualified Bid, a bid must, among other things:
 - (a) Provide for consideration that, in the sole opinion of the Receiver, is superior to the consideration provided under the Stalking Horse APS, being, at minimum: (i) the Purchase Price (\$7,150,000), (ii) the Break Fee amount (\$187,500), and (iii) at least \$50,000 (in the aggregate, the “**Consideration Value**”);



- (b) Provide for closing of the transaction contemplated thereunder as soon as reasonably practicable following the granting of the Approval and Vesting Order;
- (c) Contain:
 - i) the legal name and identity (including jurisdiction of existence), contact information for the bidder, full disclosure of the bidder's direct and indirect principals, and the name(s) of its controlling equity holder(s) and/or sponsors;
 - ii) a purchase agreement duly executed and binding on the bidder;
 - iii) a redline comparison of the bidder's purchase agreement to the Stalking Horse APS;
 - iv) evidence of authorization and approval from the bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equity holder(s) in form and substance satisfactory to the Receiver; and
 - v) disclosure of any connections or agreements with the Debtor or any of its affiliates.
- (d) Provide that the bid is irrevocable until the closing of the successful bid; provided, that if such bid is not selected as the Successful Bid or as the next-highest or otherwise best qualified bid as compared to the successful bid (the "**Back-up Bid**") it shall only remain irrevocable until the selection of the successful bid;
- (e) Provide that the bid will serve as the back-up bid if it is not selected as the successful bid, and if selected as the back-up bid it will remain irrevocable until the earlier of: (i) closing of the successful bid, or (ii) closing of the back-up bid;
- (f) Provide written evidence of a bidder's ability to fully fund and consummate the transaction;
- (g) Not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- (h) Not be conditional upon approval of the bidder's board of directors, obtaining financing, or the completion of due diligence;



- (i) Include an acknowledgement and representation that the bidder, among other things:
 - i) Has had an opportunity to conduct all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid;
 - ii) Is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and its representatives, regarding the proposed transaction, the Sale Procedure, or any information provided in connection therewith, except as expressly stated in the proposed transaction documents; and
 - iii) Is making its bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of its representatives;
 - (j) Specify any regulatory or other third-party approvals the bidder anticipated would be required to complete the proposed transaction (including the anticipated timing necessary to obtain such approvals);
 - (k) Include a cash deposit by wire transfer of immediately available funds equal to ten percent (10%) of the Consideration Value, which deposit shall be held by the Receiver in a non-interest-bearing trust account;
 - (l) Include a statement that the bidder will bear its own costs and expenses (including advisor costs and fees) in connection with the proposed transaction;
 - (m) Be received by Lennard, with a copy to the Receiver and its counsel, by the Qualified Bid Deadline.
41. The Stalking Horse APS is deemed to be a Qualified Bid.



Selection of a Successful Bidder

42. If one or more qualified bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process (the “**Auction**”) to determine the Successful Bid.
43. If by the Qualified Bid Deadline, no Qualified Bid (other than the Stalking Horse Bid) has been received by the Receiver, then the Stalking Horse Bid will be deemed to be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse APS.
44. Following selection of a Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid, and, once finalized, apply to the Court for an Approval and Vesting Order.

The Receiver’s View on the Sale Procedure

45. The Receiver requests and recommends that this Court issue the Sale Procedure Order for the following reasons:
 - (a) The Sale Procedure is commercially reasonable and consistent with other sale procedures approved in insolvency proceedings;
 - (b) The Sale Procedure is a fair, open and transparent process, intended to facilitate a broad marketing of the Property to obtain the highest and best price for the benefit of all of the Debtor’s stakeholders;
 - (c) The bidding procedures contemplated under the Sale Procedure provide an opportunity to complete a transaction with a value greater than the Stalking Horse APS, and optimizes the chances of securing the best possible price for the Property;
 - (d) The Stalking Horse APS is fair and reasonable and is in the best interests of the Debtor’s stakeholders, as it is structured to maximize value and protect against downside risk in the event that a superior transaction is not identified;



- (e) The Receiver is of the view that the duration of the Sale Procedure is sufficient to provide interested parties with an opportunity to perform diligence on the Wasaga Property (which, as noted are vacant and undeveloped lands), and submit an offer for the Property; and
- (f) AFC, the Debtor's senior secured lender with an interest in the Property is supportive of the Sale Procedure.

Receiver's Other Activities Since the Granting of the Receivership Order

46. In addition to the matters discussed above, the Receiver has completed, among other things, the following activities since the Receivership Order was granted:
- (a) Reviewed AFC's application materials;
 - (b) Corresponded with the Receiver's legal counsel, Gowling WLG (Canada) LLP, AFC's legal counsel, Teplitsky LLP, and AFC regarding the receivership proceedings generally and regarding the proposed Sale Procedure and Stalking Horse APS;
 - (c) Corresponded with the Stalking Horse Bidder and its legal counsel, Page, Martin LLP, regarding the Stalking Horse APS, the Stalking Horse Bidder's due diligence and the proposed Sale Procedure;
 - (d) Negotiated, with the assistance of legal counsel and in consultation with AFC, the terms of the Stalking Horse APS with the Stalking Horse Bidder and its advisors;
 - (e) Attended the property and addressed realty tax arrears;
 - (f) Corresponded with the Debtor's insurance broker to renew the insurance policy for the Wasaga Property and pay the associated premium;
 - (g) Established and maintained the receivership case website;
 - (h) Drafted, with the assistance of legal counsel, this First Report and reviewed all motion materials filed in connection with this motion.



Conclusion and Receiver's Recommendation

47. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the order described in paragraph 7(e) of this First Report.

All of which is respectfully submitted this 5th day of January, 2026.

ROSEN GOLDBERG INC., in its capacity as
Court-appointed Receiver and Manager of
Wasaga Heights Inc.

Brahm Rosen

Brahm Rosen, CPA, CA, CIRP, LIT

APPENDIX “3”



Court File No. CV-25-00746724-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

THE HONOURABLE
JUSTICE DIETRICH

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)

THURSDAY, THE 11TH
DAY OF SEPTEMBER, 2025

AFC MORTGAGE ADMINISTRATION INC.

Plaintiff

- and -

WASAGA HEIGHTS INC., SOHAIL SIDDIQUI

Defendant

**ORDER
(appointing Receiver)**

THIS MOTION made by the Plaintiff 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 Rosen Goldberg Inc. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent, Wasaga Heights Inc. (hereinafter referred to as the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavits of Adit Kumar sworn July 4, 2025 and August 27, 2025 and the Exhibits thereto, the affidavits of Kathy Ples sworn July 29, 2025, September 8, 2025 and

September 11, 2025 and exhibits attached thereto, and on hearing the submissions of counsel for Applicant, Sohail Siddiqui appearing in person, with all parties, duly served as appears from the two affidavits of service of Ray Montesano sworn July 15, 2025 and one sworn on July 31, 2025 and on reading the consent of Rosen Goldberg Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion 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, Rosen Goldberg Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor including the lands and premises described in Appendix A acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) 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 \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$300,000.00; 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.
- (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;
- (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, 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.¹

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.

¹ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

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 \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "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.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

[protocol/](#)) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL “http://rosengoldberg.com/company-files.php?company_id=122”.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

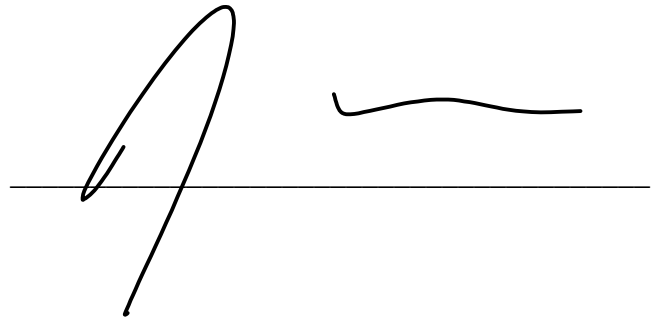
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

A handwritten signature consisting of a large, stylized loop followed by a horizontal line with a wavy flourish extending to the right. The signature is positioned above a horizontal line that spans the width of the page.

DOCSTOR: 17717428

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Rosen Goldberg Inc., the receiver (the "Receiver") of the assets, undertakings and properties of the Respondent, Wasaga Heights 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 _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, 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 _____ per cent above the prime commercial lending rate of Bank of _____ 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 _____, 2025.

Rosen Goldberg Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

APPENDIX "A"

PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 1 ON REFERENCE PLAN 51R-44317, TOGETHER WITH AN EASEMENT OVER PART 3 ON REFERENCE PLAN 51R-44317 IN FAVOUR OF PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 3 ON REFERENCE PLAN 51R-30556 AS AN INSTRUMENT NO. SC413852; TOGETHER WITH AN EASEMENT OVER PART 2 ON REFERENCE PLAN 51R-44317 IN FAVOUR OF PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 3 ON REFERENCE PLAN 51R-30556 AS AN INSTRUMENT NO. SC621188, COUNTY OF SIMCOE, SUBJECT TO AN EASEMENT AS IN SC2037532, TOWN OF WASAGA BEACH.

PIN 58316-0770 (LT)

DOCSTOR: 1771742\8

AFC MORTGAGE ADMINISTRATION INC.
Applicant

-and- WASAGA HEIGHTS INC. et al.
Respondents

Court File No. CV-25-00746724-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

TEPLITSKY LLP

Barristers
70 Bond Street
Suite 200
Toronto ON M5B 1X3

Jonathan Kulathungam (42049N)s
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Nipuni Panamaldeniya (77106A)
npanama@teplitskylp.com
Tel: (416) 365-9320

Lawyers for the Applicant

APPENDIX “4”



SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00746724-00CL

DATE: August 5, 2025

NO. ON LIST: 5

TITLE OF PROCEEDING:

AFC Mortgage Administration Inc. vs. Wasaga Heights Inc., Siddiqui, Sohail / RSM Canada

BEFORE: Justice J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Jonathan Kulathungam	AFC Mortgage Administration Inc.	jkulathungam@teplitskyllp.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Peter Kell	Self-Represented Litigants for Wasaga Heights	contact@kellkapitalpartners.com
Sohail Siddiqui		Sohail2050@hotmail.com
Shabir Mir		
Katherine Yurkovich – Counsel for the Proposed Receiver	Rosengoldberg Inc.	Kate.yurkovich@gowlingwlg.com
Brahm Rosen, Proposed Receiver		

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Barry Snaper	Self-Represented	Barrysnaper2@gmail.com

ENDORSEMENT OF JUSTICE J. DIETRICH:

[1] AFC Mortgage Administration Inc. (“AFC”) seeks the appointment of a receiver as over approximately 15.4 acres of vacant land located in the Town of Wasaga Beach, Ontario (“**Wasaga Heights Property**”) owned by Wasaga Heights Inc. (“**Borrower**”).

[2] Mr. Sohail Siddiqui (the principal of the Borrower) attended today along with Mr. Kell. They referenced various documents they had intended to rely upon, but which were not uploaded to Case Center.

[3] As the Borrower is a corporation and as such it must be represented by counsel unless leave is otherwise granted (see Rule 15.01 (2) of the *Rules of Civil Procedure* R.R.O. 1990, REG. 194). Mr. Siddiqui advised that to date he has not retained a lawyer on behalf of the Borrower, but during the hearing confirmed his intention to do.

[4] The hearing was scheduled by AFC on the expectation that it was to proceed on an unopposed basis. It was only this morning that AFC understood otherwise.

[5] Although the Wasaga Heights Property is vacant land, interest is continuing to accrue as owing to AFC and there is a subsequent mortgage on the property held by Mr. Snaper (also present today).

[6] In the circumstances, a brief adjournment to permit the Borrower to obtain counsel and properly file material is granted.

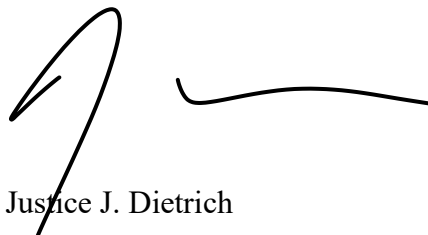
[7] Mr. Siddiqui is strongly encouraged to retain counsel as soon as possible as he advised he intends to. Mr. Siddiqui is to provide a copy of this endorsement to counsel so that counsel is aware of the hearing date and the timeline below in which material is to be exchanged etc.

[8] Mr. Snaper was also self-represented today and he advised that he supports a brief adjournment, and requests parties communicate with him regarding refinancing efforts.

[9] Accordingly, the following schedule is set:

- a. Wasaga Heights to deliver any responding evidence by August 18, 2025;
- b. Reply evidence of AFC, if any by August 27, 2025;
- c. Cross examinations, if any to be completed by September 3, 2025;
- d. AFC's updated factum, to be delivered by September 5, 2025;
- e. Wasaga Heights factum, to be delivered by September 9, 2025;
- f. AFC Factum, reply factum if any to be delivered by September 10, 2025; and
- g. **Hearing for 2 hours commencing on September 11, 2025 at 10:00 am by zoom**

[10] All material needs to be uploaded to Case Center by end of day on September 9, 2025 other than the reply factum which may follow.



August 5, 2025

Justice J. Dietrich

APPENDIX “5”



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ ENDORSEMENT FORM

COURT FILE NO.: CV-25-00746724-00CL DATE: September 11th, 2025

NO. ON LIST: 1

TITLE OF PROCEEDING: AFC MORTGAGE ADMINISTRATION INC. v. WASAGA HEIGHTS INC. et al

BEFORE: JUSTICE J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
KULATHUNGAM, JONATHAN	Applicant's Counsel	jkulathungam@teplitskyllp.com
KUMAR, Adit	Applicant: AFC MORTGAGE ADMINISTRATION INC.	adit.k@anbrosfinancial.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
SIDDIQUI, SOHAIL	Respondent (Self Represented)	sohail2050@hotmail.com
YURKOVICH, Katherine	Counsel for Proposed Receiver Rosen Goldberg Inc.	kate.yurkovich@gowlingwlg.com
GOLDBERG, Steven	Proposed Receiver	sgoldberg@rosengoldberg.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
KELL, Peter (Observer)	Assisting SIDDIQUI, SOHAIL	contact@kellkapitalpartners.com
MIR SHABIR (Observer)	Mortgage Broker #13001990	shabir.mir@orbismortgage.ca
ROSEN, Brahm	Proposed Receiver	brosen@rosengoldberg.com

ENDORSEMENT OF JUSTICE J. Dietrich:

Introduction

- [1] AFC Mortgage Administration Inc. ("**AFC**") seeks the appointment of a receiver as over approximately 15.4 acres of vacant land located in the Town of Wasaga Beach, Ontario ("**Wasaga Heights Property**") owned by Wasaga Heights Inc. ("**Borrower**"). Although the notice of application indicated a receiver was also sought against Mr. Sohail Siddiqui personally, that relief is not being sought by AFC.
- [2] This matter was first before on August 5, 2025 when Mr. Sohail Siddiqui attended along with Mr. Kell and requested an adjournment on behalf of the Borrower. At that time, I made an endorsement setting a schedule for the delivery of material and advising Mr. Siddiqui and Mr. Kell that the Borrower as a corporation was required to be represented by counsel unless leave of the Court was obtained under Rule 15.01 (2) of the Rules of Civil Procedure R.R.O. 1990, REGULATION 194.
- [3] During the August 5, 2025, hearing Mr. Siddiqui advised he intended to retain counsel for the Borrower. That has not occurred. Further, the Borrower filed no affidavit material in accordance with the schedule that was established by my August 5, 2025 endorsement. AFC has filed an affidavit attaching certain correspondence between AFC and the Borrower which Mr. Siddiqui indicated he was relying on.
- [4] AFC has filed a further affidavit attaching a letter dated August 20, 2025, from Cooperators General Insurance Company indicating that the insurance for Wasaga Heights Inc. was cancelled as of July 28, 2025.
- [5] Mr. Siddiqui, who is a personal respondent in the application, requested a further adjournment of 30 days to provide additional time to repay AFC. He indicated that if the payout number is known the funds will be available. However, a payout statement was provided some time ago and most recently and updated payout statement was provided by counsel to AFC on September 5, 2025 showing a payoff amount of \$6,453,491.61 as of that day plus daily interest of \$2,977.42. Costs will also continue to accrue.
- [6] The Borrower has had an opportunity to retain counsel and file evidence and legal argument in response to AFC's motion and has failed to do so. They have had time to repay AFC and have not done so.
- [7] Further, as I noted during the hearing, the appointment of a receiver does not put an end to the Borrower's right to redeem. However, as the receivership progresses, exercising the right to redeem becomes more difficult as steps are taken within the receivership and costs continue to be incurred.
- [8] Accordingly, as indicated during the hearing, in the circumstances, I am not prepared to grant a further adjournment.
- [9] Defined terms used but not otherwise defined herein have the meaning provided to them in the factum of AFC filed for use at this hearing.

Background

- [10] The Borrower was pursuing a Subdivision Agreement between the Town of Wasaga Beach and the Borrower for the creation of a mixed-use development consisting of inter alia, 102 townhouse condominium units and approximately 116,250 square feet of commercial development.
- [11] Sohail Siddiqui is the Officer and Director of the Borrower. Sohail Siddiqui also personally guaranteed the Loan ("**Guarantor**").

- [12] Pursuant to a Commitment Letter dated September 23, 2022 (“**Commitment Letter**”) AFC agreed to loan to the Borrower \$3,640,000.00. A first charge was registered as Instrument No. SC1933143 (“**Mortgage**”).
- [13] At the request of the Borrower, the principal amount of the Mortgage was increased to \$4,475,000.00 and in a Second Commitment Letter was entered into on August 15, 2023 (“**Second Commitment Letter**”). The increase in the principal amount was set out in a notice which was registered on title.
- [14] There was an existing mortgage in the amount of \$300,000.00 in favour of 2251055 Ontario Inc. which was registered as Instrument No. SC1517147 on June 13, 2018. Together with an assignment of rents (“**225 Security**”). The 225 Security was contractually postponed contractually to the Mortgage of AFC.
- [15] The Borrower failed to make payment of the total amount due and owing to AFC under the Commitment Letters on or before the Maturity Date of October 1, 2024.
- [16] An original Forbearance Agreement was entered into by AFC, the Borrower and the Guarantor. The Borrower and Guarantor acknowledged the default in failing to make payment on or before the Maturity Date and acknowledged the amounts due and owing under the Mortgage as of the Maturity Date. The Borrower agreed to make payment prior to February 1, 2025 (“**Second Maturity Date**”).
- [17] The Borrower failed to make payment by the Second Maturity Date. Amendments were entered to extending the forbearance period until May 1, 2025 and then to May 20, 2025, however the Borrower failed to repay the amounts owing.
- [18] Notice of default was sent by AFC to the Borrower on June 10, 2025. On June 13, 2025 AFC issued a Notice of Intention to Enforce Security under Section 244(1) of the Bankruptcy and Insolvency Act (“**BIA Notice**”) setting out the total amount due and owing of \$6,180,651.93.
- [19] Since the adjournment of this matter over a month ago, an affidavit of Kathy Ples, a legal assistant at AFC's counsel was filed attaching certain correspondence between AFC and the Borrower. That correspondence indicated that the Borrower intended to put \$6.2 million in trust to stand as repayment of the amounts owing to AFC while the Borrower disputed the actual amount owing. That has not occurred.
- [20] As noted above an additional affidavit of Ms. Ples was also filed providing the notice of cancellation of the Borrower's insurance. As well, as of August 14, 2025, tax arrears are outstanding of approximately \$93,000 related to the tax years of 2024 and 2025.

Issue

- [21] There only issue to be determined today, is whether it is just or convenient to appoint a receiver over the assets, properties and undertakings of the Borrower.

Analysis

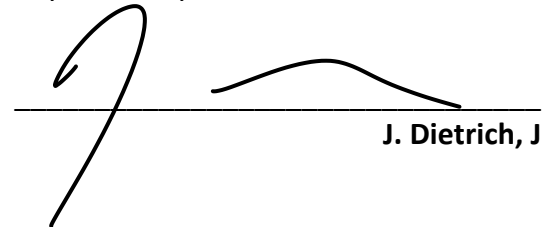
- [22] The test for the appointment of a receiver under s. 243 of the BIA or s. 101 of the Court of Justice Act is whether it is just or convenient.
- [23] In determining whether it is just or convenient to appoint a receiver the court must have regard to all of the circumstances of the case particularly the nature of the property and the rights and interests of all parties in relation to the property: see *Bank of Nova Scotia v Freure Village of Clair Creek*, [1996] OJ No 5088 at para 10. While the appointment of a receiver is generally an extraordinary equitable remedy, where the rights of the secured creditor include, pursuant to the terms of its security, the right to seek the appointment of a receiver, the burden on the applicant is lessened: see *Elleway Acquisitions Ltd. v. The Cruise Professionals Limited*, 2013 ONSC 6866.

- [24] Although the presence of a contractual entitlement to appoint a receiver is not a determinative factor, here, where the right to appoint a receiver is provided under a mortgage, the remedy becomes less extraordinary see para 44 of *BCIMC Construction Fund Corporation et al. v. The Clover on Young Inc.*, 2020 ONSC 1953.
- [25] As summarized by Justice Osborne in *Romspen Investment Corporation v. Tung Kee Investment Canada Ltd. et al.*, 2023 ONSC 5911 at para 32-33 a number of factors have historically been taken into account in the determination of whether it is appropriate to appoint a receiver. The factors are not a checklist, but rather a collection of considerations to be viewed holistically, they include:
- a. whether irreparable harm might be caused if no order is made, although as stated above, it is not essential for a creditor to establish irreparable harm if a receiver is not appointed where the appointment is authorized by the security documentation;
 - b. the risk to the security holder taking into consideration the size of the debtor's equity in the assets and the need for protection or safeguarding of assets while litigation takes place;
 - c. the nature of the property;
 - d. the apprehended or actual waste of the debtor's assets;
 - e. the preservation and protection of the property pending judicial resolution;
 - f. the balance of convenience to the parties;
 - g. the fact that the creditor has a right to appointment under the loan documentation;
 - h. the enforcement of rights under a security instrument where the security-holder encounters or expects to encounter difficulties with the debtor;
 - i. the principle that the appointment of a receiver should be granted cautiously;
 - j. the consideration of whether a court appointment is necessary to enable the receiver to carry out its duties efficiently;
 - k. the effect of the order upon the parties;
 - l. the conduct of the parties;
 - m. the length of time that a receiver may be in place;
 - n. the cost to the parties;
 - o. the likelihood of maximizing return to the parties; and
 - p. the goal of facilitating the duties of the receiver.

- [26] In this case, it is just and convenient to appoint a receiver.
- [27] AFC claims the Borrower owes in excess of \$6 million to AFC. Although there appears to be a dispute about the exact amount owing, there does not appear to be a dispute that at least \$4.6 million was owing as of October 1, 2024 when the Forbearance Agreement was signed. Additional interest and costs would have accrued since then. As noted above, an updated payout statement was most recently provided by AFC as of September 5, 2025 which shows approximately \$6.4 is now claimed to be owing to AFC. The exact amount owing is not a matter that I am determining today.
- [28] AFC has not acted in a precipitous manner. The loan originally matured on October 1, 2024. Despite a forbearance agreement, with multiple extensions to the maturity date to May 20, 2025, the loan has not been repaid.
- [29] Under the terms of the Existing Security Documents, AFC is entitled to apply to the Court for the appointment of a receiver upon default.
- [30] AFC has demanded repayment of the total indebtedness and issued the 244 BIA Notices. The notice period under the 244 BIA Notices has since elapsed.
- [31] Despite the adjournment of the application of over one month, the Borrower did not file any evidence responding to the application of AFC, which was required by my August 5, 2025 endorsement to be filed by no later than August 18, 2025. AFC has filed affidavit attaching certain correspondence from the Borrower indicating desire to repay, but that has not happened.
- [32] As noted above, the appointment of a receiver does not put an end to the Borrower's right to redeem, however, as time progresses it will become more difficult for the Borrower to do so. In this regard, AFC has indicated that the intention of the receiver, if appointed today, is to preserve the property (including by obtaining insurance) and register the order on title, but not to take any additional active steps for two weeks.
- [33] AFC has, understandably lost all confidence in the Borrower and its ability to repay the loan, the cancellation of insurance makes this matter more urgent.
- [34] Rosen Goldberg Inc. is qualified to act as receiver and has consented to do so.
- [35] The terms of the proposed receivership order, as amended during the hearing today, are appropriate and consistent with the Model Order of the Commercial List.

Disposition

- [36] Accordingly, I grant the receivership order in the form signed by me today.



J. Dietrich, J

DATE: September 11th, 2025

APPENDIX “6”

SALE PROCEDURE

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 11, 2025 (the “**Appointment Order**”), Rosen Golderg Inc. (the “**Receiver**”) was appointed receiver and manager, without security, of all of the assets, undertakings and properties of Wasaga Heights Inc. (the “**Debtor**”), including without limitation the lands and premises municipally referred to as 123 45th Street S., Wasaga, Ontario (the “**Property**”).
2. On January 14, 2026, the Court made an order (the “**Sale Procedure Order**”), among other things: (i) authorizing the Receiver to enter into an agreement of purchase and sale made as of December 19, 2025, (as may be further amended, restated, supplemented or otherwise modified from time to time, the “**Stalking Horse Agreement**”) between the Receiver and KCAP HOLDINGS CORPORATION in trust for a company to be incorporated (the “**Stalking Horse Bidder**”) pursuant to which the Stalking Horse Bidder has agreed to purchase the Subject Assets (as defined in the Stalking Horse Agreement) so as to set a minimum floor price in respect of the Receiver’s sale procedure; and (ii) authorizing the Receiver to implement a sale procedure in accordance with the terms hereof (the “**Sale Procedure**”).
3. This Sale Procedure sets out the manner in which: (a) binding bids (the “**Bids**” and each a “**Bid**”) for executable transaction alternatives that are superior to the sale transaction contemplated by the Stalking Horse Agreement involving the Subject Assets of the Debtor will be solicited from interested parties (each a “**Bidder**”); (b) any such Bids received will be addressed; (c) any Successful Bid (as defined in Schedule B) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. The Receiver has engaged Lennard Commercial Realty Investment (the “**Broker**”) to act as real estate broker and listing agent for the Property.
5. This Sale Procedure shall be conducted by the Broker in cooperation with the Receiver and the Receiver shall be entitled to receive all information in relation to the Sale Procedure.
6. Parties who wish to have their Bid considered must participate in this Sale Procedure as conducted by the Broker and Receiver.
7. This Sale Procedure will be conducted such that the Receiver, in consultation and cooperation with the Broker, will:
 - i. Disseminate marketing materials and a process letter to potentially interested parties identified by the Broker and/or Receiver;
 - ii. Solicit interest from parties with a view to such interested parties entering into nondisclosure agreements in form and substance satisfactory to the Receiver in its sole discretion (each a “**NDA**”) (other than the Stalking Horse Bidder, parties shall only obtain access to the data room and be permitted to participate in this Sale Procedure if they execute an NDA and agree to the additional measures that are required by the Receiver to protect competitively sensitive information);

- iii. Provide applicable parties with access to a data room containing due diligence information; and
 - iv. Request that such parties (other than the Stalking Horse Bidder) submit a binding offer meeting at least the requirements set forth in Section 9 below, as determined by the Receiver (a “**Qualified Bid**”), by the Qualified Bid Deadline (as defined below).
8. This Sale Procedure shall be conducted subject to the terms hereof and the following key milestones:
- a) *The Broker and Receiver shall commence the solicitation process:* as soon as practicable following the granting of the Sale Procedure Order;
 - b) *Deadline to submit a Qualified Bid:* 5:00 p.m. Eastern Time on February 13, 2026 (the “**Qualified Bid Deadline**”);
 - c) *Receiver to determine whether a bid is a Qualified Bid, and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below):* 5:00 p.m. Eastern Time on February 15, 2026;
 - d) *Receiver to hold an Auction (if applicable):* within two (2) business days of the Receiver determining whether the Auction will take place;
 - e) *Receiver to bring a motion for the Approval and Vesting Order (as defined below) (the “**Vesting Order Motion**”):* Receiver shall serve its materials in support of the Vesting Order Motion by no later than fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid;
 - f) *Closing of the Successful Bid:* as soon as reasonably practicable after the granting of the Approval and Vesting Order.
9. In order to constitute a Qualified Bid, a Bid must comply with the following:
- a) It provides consideration that, in the sole opinion of the Receiver, is superior to the consideration provided for in the Stalking Horse Agreement, which for greater certainty includes the amount of at least the purchase price set out in the Stalking Horse Agreement (\$7,150,000), plus the Expense Reimbursement and Break Fee (as defined in the Stalking Horse Agreement, (\$187,500)), plus a minimum amount of \$50,000 (the “**Consideration Value**”);
 - b) It provides for the closing of the transaction contemplated thereunder by no later than the Outside Date;
 - c) It contains:
 - i. The legal name and identity (including jurisdiction of existence) and contact information of the Bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equity holder(s) and/or sponsors;

- ii. A purchase agreement, substantially in the form of the Stalking Horse Agreement, duly executed and binding on the Bidder;
 - iii. A redline comparison of the purchase agreement to the Stalking Horse Agreement;
 - iv. Evidence of authorization and approval from the Bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s) in form and substance reasonably satisfactory to the Receiver;
 - v. Disclosure of any connections or agreements with the Debtor or any of its affiliates, any known, potential, prospective Bidder, or any officer, manager, director, member or known equity security holder of the Debtor or any of its affiliates; and
 - vi. Such other information as may be reasonably requested by the Receiver;
- d) It is irrevocable until closing of the Successful Bid; provided, that if such Bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such Bid, the "**Back-up Bid**") it shall only remain irrevocable until the selection of the Successful Bid;
- e) It provides that the Bid will serve as the Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of: (i) closing of the Successful Bid, or (ii) closing of the Back-Up Bid;
- f) It provides written evidence of a Bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the Bidder in connection with the Successful Bid;
- g) It does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- h) It is not conditional upon:
- i. Approval from the Bidder's board of directors (or comparable governing body) or, if applicable, equityholder(s);
 - ii. The outcome of any due diligence by the Bidder; or
 - iii. The Bidder obtaining financing;
- i) It includes an acknowledgement and representation that the Bidder:
- i. Has had an opportunity to conduct any and all required due diligence prior to making its Bid, and has relied solely upon its own independent review, investigation and inspection in making its Bid;

- ii. Is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and its employees, officers, directors, agents, advisors and other representatives, regarding the proposed transaction, this Sale Procedure, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents;
 - iii. Is making its Bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of its employees, officers, directors, agents, advisors and other representatives;
 - iv. Is bound by this Sale Procedure and the Sale Procedure Order; and
 - v. Is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with this Sale Procedure or its Bid;
- j) It specified any regulatory or other third-party approvals the bidder anticipates would be required to complete the proposed transaction (including the anticipated timing necessary to obtain such approvals);
 - k) It is accompanied by a cash deposit (the “**Deposit**”) by wire transfer of immediately available funds equal to ten percent (10%) of the Consideration Value, which Deposit shall be retained by the Receiver in a non-interest bearing trust account in accordance with the terms hereof;
 - l) It includes a statement that the Bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
 - m) It is received by the Broker, with a copy to the Receiver and its counsel, by the Qualified Bid Deadline at the email addresses specified on Schedule A hereto.
- 10. The Qualified Bid Deadline may be extended by the Receiver, in consultation with AFC Mortgage Administration Inc. (“**AFC**”), or by further order of the Court.
 - 11. The Receiver may, in in consultation with AFC, waive compliance with any one or more of the requirements specified in Section 9 above and deem a non-compliant Bid to be a Qualified Bid.
 - 12. Notwithstanding the requirements specified in Section 9 above, the transaction contemplated by the Stalking Horse Agreement (the “**Stalking Horse Bid**”), is deemed to be a Qualified Bid.
 - 13. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the successful bid(s) (the “**Auction**”), which Auction shall

be administered in accordance with Schedule B hereto. The successful bid(s) selected within the Auction shall constitute the “**Successful Bid**”. Forthwith upon determining to proceed with an Auction, the Receiver shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Bidder) in accordance with the terms herein, along with copies of all Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the leading Bid.

14. If, by the Qualified Bid Deadline, no Qualified Bid (other than the Stalking Horse Bid) has been received by the Receiver, then the Stalking Horse Bid shall be deemed the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Agreement.
15. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 8. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Receiver, the Receiver shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the Receiver to complete the transactions contemplated thereby, as applicable, and authorizing the Receiver to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the transaction(s) contemplated by such Successful Bid (each, an “**Approval and Vesting Order**”). If the Successful Bid is not consummated in accordance with its terms, the Receiver shall be authorized, but not required, to elect that the Back-up Bid (if any) is the Successful Bid.
16. If a Successful Bid is selected and an Approval and Vesting Order authorizing the consummation of the transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Bid will be returned, without interest thereon, to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to the Approval and Vesting Order or such earlier date as may be determined by the Receiver; provided, however, that the Deposit in respect of the Back-Up Bid shall not be returned to the applicable bidder until the closing of the Successful Bid.
17. The Receiver shall be permitted, in its discretion, to provide general updates and information in respect of this Sale Procedure to any creditor (each a “**Creditor**”) on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Creditor that it will not submit any Bid in this Sale Procedure; and (b) such Creditor executing a confidentiality agreement with the Receiver, in form and substance satisfactory to the Receiver.
18. Any amendments to this Sale Procedure may only be made by the Receiver exercising its discretion in accordance with the terms of this Sale Procedure, or by further order of the

Court.

SCHEDULE “A” – EMAIL ADDRESSES FOR DELIVERY OF BIDS

To the Broker:

Peter Deguerre, Lennard Commercial Realty

pdeguerre@lennard.com

To the Receiver:

Brahm Rosen, Rosen Goldberg Inc.

brosen@rosengoldberg.com

With a copy to the Receiver’s counsel:

Asim Iqbal and Kate Yurkovich, Gowling WLG (Canada) LLP

Asim.iqbal@gowlingwlg.com

Kate.yurkovich@gowlingwlg.com

SCHEDULE “B” – AUCTION PROCEDURES

1. ***Auction:*** If the Receiver receives at least one Qualified Bid (other than the Stalking Horse Bid), the Receiver will conduct and administer the Auction in accordance with the terms of the Sale Procedure. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.
2. ***Participation:*** Only parties that provided a Qualified Bid by the Qualified Bid Deadline, including the Stalking Horse Bid (collectively, the “**Qualified Parties**” and each a “**Qualified Party**”), shall be eligible to participate in the Auction. No later than 5:00pm Eastern Time two days prior to the Auction, the Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) to all parties that have made a Qualified Bid. No later than 5:00 p.m. Eastern Time on the day prior to the Auction, each Qualified Party (other than the Stalking Horse Purchaser) must inform the Receiver whether it intends to participate in the Auction (“**Auction Bidders**”). The Receiver will promptly thereafter inform in writing each Auction Bidder who has expressed its intent to participate in the Auction of the identity of all other Auction Bidders that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid shall be the Successful Bid.
3. ***Auction Procedures:*** The Auction shall be governed by the following procedures:
 - a) ***Attendance.*** Only the Receiver, the Auction Bidders, and each of their respective advisors will be entitled to attend the Auction, and only the Auction Bidders will be entitled to make any subsequent Overbids (as defined below) at the Auction;
 - b) ***Minimum Overbid.*** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Receiver (the “**Initial Bid**”), and any bid made at the Auction by an Auction Bidder subsequent to the Receiver’s announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of \$50,000;
 - c) ***Bidding Disclosure.*** The Auction shall be conducted such that all Bids will be made and received in one group video-conference, on an open basis, and all Auction Bidders will be entitled to be present for all bidding with the understanding that the true identity of each Auction Bidder will be fully disclosed to all other Auction Bidders and that all material terms of each subsequent Bid will be fully disclosed to all other Auction Bidder throughout the entire Auction; provided, however, that the Receiver, in its discretion, may establish separate video conference rooms to permit interim discussions between the Receiver and individual Auction Bidders with the understanding that all formal Bids will be delivered in one group video conference, on an open basis; to the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting an Overbid must submit, at the Receiver’s discretion written evidence demonstrating such Auction Bidder's ability to close the transaction proposed by the Overbid.

- d) *Bidding Conclusion.* The Auction shall continue in one or more rounds and will conclude after each participating Auction Bidder has had the opportunity to submit one or more additional Bids with full knowledge and written confirmation of the then-existing highest Bid(s); and
 - e) *No Post-Auction Bids.* No Bids will be considered for any purpose after the Auction has concluded.
 - f) *Auction Cancellation/Postponement.* The Receiver reserves the right to cancel or postpone the Auction.
 - g) *Additional Rules.* Except as otherwise set forth herein, the Receiver may establish additional rules for conducting the Auction, provided that such rules are: (a) disclosed to each participating Auction Bidder; (b) designed, in the Receiver's business judgment, to result in the highest and otherwise best offer; and (c) not contrary to any material term set out herein.
4. *Selection.* Before the conclusion of the Auction, the Receiver, will: (a) review each Qualified Bid, considering the factors set out in Section 8 of the Sale Procedure and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in (i) above; (iii) the likelihood of the Qualified Party's ability to close a transaction and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Qualified Bid, and (v) any other factors the Receiver may, consistent with its fiduciary duties, reasonably deem relevant; and (b) identify the highest or otherwise best Bid received at the Auction (the "**Successful Bid**" and the Qualified Party making such bid, the "**Successful Party**").
5. *Acknowledgement.* The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within five (5) business days of the Successful Bid being selected as such, unless extended by the Receiver, subject to the milestones set forth in Section 8 of the Sale Procedure.

APPENDIX “7”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made as of December 19, 2025

B E T W E E N:

ROSEN GOLDBERG INC., solely in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of WASAGA HEIGHTS INC. and not in its personal capacity and without personal or corporate liability

(the “**Vendor**” or “**Receiver**”)

- and –

KCAP HOLDINGS CORPORATON in trust for a company to be incorporated

(the “**Purchaser**”)

RECITALS:

- A. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 11, 2025 (the “**Appointment Order**”), the Receiver was appointed receiver and manager, without security, of all of the assets, undertakings and properties of Wasaga Heights Inc. (the “**Debtor**”), including without limitation the lands and premises municipally referred to as 123 45th Street S., Wasaga, Ontario, and as more particularly described on Schedule A attached hereto (the “**Property**”).
- B. The Appointment Order authorizes the Receiver to market any or all of the Subject Assets, including advertising and soliciting offers in respect of the Subject Assets, or any part or parts thereof and to negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- C. Following execution of this Agreement, the Receiver will seek to obtain the Sale Procedure Order, pursuant to which the Court will authorize and direct the Receiver to enter into this Agreement and to carry out the Sale Procedure.
- D. The Purchaser has agreed to act as a “stalking horse bidder” in connection with the sale of all of the right, title and interest of the Debtor in and to the Subject Assets, such that, in the absence of the Receiver’s acceptance of a Bid for the Subject Assets made in accordance with the Sale Procedure which is superior to the Stalking Horse Bid contained this Agreement (as determined by the Receiver in accordance with the Sale Procedure), the Purchaser has agreed to purchase on an “as is, where is” basis all of the right, title and interest of the Debtor in and to the Subject Assets on the terms and subject to the conditions set forth in this Agreement, in accordance with the Sale Procedure and subject to obtaining the Approval and Vesting Order.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and the sum of \$10.00 paid by each of the Vendor and the Purchaser to the other and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereby agree and declare as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The terms defined herein shall have, for all purposes of this Agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

“Acceptance Date” means the date that this Agreement is executed and delivered to all Parties hereunder.

“Agreement” means this stalking horse agreement of purchase and sale and the schedules attached hereto, as amended, supplemented or otherwise modified from time to time; **“Article”**, **“Section”** or **“Schedule”** mean and refer to the specified article, section of or schedule to this Agreement.

“Alternative Transaction” has the meaning ascribed thereto in Section 9.2(c).

“Applicable Laws” means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law relating or applicable to the Subject Assets, such Person, property, transaction, event or other matter.

“Appointment Order” has the meaning ascribed thereto in the Recitals.

“Approval and Vesting Order” means the order of the Court approving this Agreement and the Transactions contemplated hereby, and authorizing and directing the Receiver to complete the Transaction and vesting all right, title and interest of the Debtor in the Subject Assets in and to the Purchaser, free and clear of all Encumbrances (other than Permitted Encumbrances), substantially in the form of the model approval and vesting order approved by the “Ontario Commercial List Users Committee”, with such amendments as are satisfactory to the Receiver and Purchaser, each acting reasonably.

“Assignment and Assumption of Contracts” means an assignment and assumption of the Assumed Contracts to be delivered on Closing pursuant to Sections 7.2 and 7.3 in form acceptable to the Vendor and Purchaser, each acting reasonably.

“Assumed Contracts” has the meaning ascribed thereto in Section 8.1.

“Bid” has the meaning ascribed thereto in the Sale Procedure.

“Back-up Bid” has the meaning ascribed thereto in the Sale Procedure.

“Books and Records” means, collectively, the books and records of the Debtor relating to the Subject Assets, including financial, corporate, operations and sales books, records, books of

account, sales and purchase records, lists of suppliers and customers, business reports, plans and projections and all other documents, surveys, plans, files, records, assessments, correspondence and other data and information, financial or otherwise, including all data, information and databases stored on computer-related or other electronic media, to the extent such books and records are in the possession of the Receiver.

“**Business**” means the business carried on by the Debtor with respect to the Property.

“**Business Day**” means a day on which banks are open for business in the City of Toronto, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

“**Claims**” means any and all past, present and future claims, charges, suits, proceedings, liabilities, demands, actions, causes of action, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees on a solicitor and client basis and other professional fees and disbursements, interest, demands and actions of any nature or any kind whatsoever, whether known or unknown, and “**Claim**” means any one of the foregoing.

“**Closing**” means the closing and consummation of the Transaction, including, without limitation, the payment of the Purchase Price and the delivery of the Closing Documents.

“**Closing Date**” means the first to occur of (a) a Business Day to be designated by the Purchaser and reasonably acceptable to the Receiver after satisfaction or waiver of all conditions set out in Sections 5.1(e), 5.2(e) and 5.3 on notice of not less than 5 Business Days and (b) the date that is 20 Business Days after satisfaction or waiver of all conditions set out in Sections 5.1(e), 5.2(e) and 5.3, unless otherwise agreed to by the Parties.

“**Closing Documents**” means the agreements, instruments and other documents to be delivered by the Vendor to the Purchaser pursuant to Section 7.1 and the agreements, instruments and other documents to be delivered by the Purchaser to the Vendor pursuant to Section 7.3.

“**Closing Certificate**” has the meaning ascribed thereto in Section 7.4.

“**Confidential Information**” has the meaning ascribed thereto in Section 2.5.

“**Consent**” means any approval, authorization, consent, order, license, permission, permit (including any environmental permit), qualification, exemption or waiver by any Governmental Authority or other Person.

“**Contract Notice Date**” has the meaning ascribed thereto in Section 8.1(a).

“**Contracts**” means, collectively, all contracts, licences, agreements, promises, undertakings, understandings, arrangements, documents, commitments, entitlements, engagements, development proposals, studies and any other third party reports and agreements in the possession of the Receiver and relating to the Property, entered into by the Debtor or any manager or agent on behalf of the Debtor, or which have been assigned to the Debtor, or which otherwise bind and/or benefit the Debtor as owner of the Property, but excludes any contracts or agreements which are not assignable without the consent of the counterparty thereto.

“**Court**” has the meaning ascribed thereto in the Recitals.

“**Debtor**” means WASAGA HEIGHTS INC..

“**Deposit**” has the meaning ascribed thereto in Section 3.1(b)i.

“**Deposit Holder**” has the meaning ascribed thereto in Section 3.1(b)i.

“**DRA**” has the meaning ascribed thereto in Section 7.6(a).

“**Encumbrances**” means any and all Claims, Work Orders, mortgages, pledges, charges (including the Receiver’s Borrowings Charge and the Receiver’s Charge), liens, construction liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, options, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, the Subject Assets or any part thereof or interest therein, including any lease, licence to occupy, easements, servitudes, rights of way, mortgage or right of any third party (including contractual rights such as purchase option, rights of first refusal, rights of first offer or any other pre-emptive contractual right), restrictions, any subdivision, site plan, development or other agreements with a Governmental Authority affecting the Property, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) which encumber title to the Subject Assets or any part thereof or interest therein.

“**Environmental Laws**” means all Applicable Laws including written policies and guidelines and directives, administrative rulings or interpretations, that are in effect and applicable to the Property, as well as the common law and any judicial or administrative order, consent decree or judgment, now in existence or which may come into existence from the Acceptance Date until Closing, governing or regulating the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, discharge of, or exposure to Hazardous Materials or intended to protect the environment, including, without limitation, the *Atomic Energy Control Act* (Canada), the *Canadian Environmental Protection Act* (Canada), the *Pest Control Products Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Environmental Protection Act* (Ontario), the *Environmental Assessment Act* (Ontario), the *Ontario Water Resources Act* (Ontario) and the *Occupational Health & Safety Act* (Ontario), and the regulations and guidelines promulgated pursuant thereto or issued by any Governmental Authority in respect thereof, and equivalent or similar local and provincial ordinances and statutory programs and the regulations and guidelines promulgated pursuant thereto.

“**Excluded Assets**” has the meaning ascribed thereto in Section 2.2.

“**Excluded Contracts**” means all Contracts other than the Assumed Contracts.

“**Expense Reimbursement and Break Fee**” has the meaning ascribed thereto in Section 9.2(c).

“**Final Adjustment Date**” has the meaning ascribed thereto in Section 3.4(c).

“**Final Order**” means, in respect of any order, such order after (i) the expiry of applicable appeal periods; or (ii) in the event of an appeal or application for leave to appeal or to stay, vary, supersede, set aside or vacate such order, final determination of such appeal or application by the applicable court or appellate tribunal.

“Governmental Authority” means any government, regulatory authority, government department, agency, utility, commission, board, tribunal, court or other rule making entity having jurisdiction on behalf of any nation, province or state or other subdivision thereof or any municipality, district or other subdivision thereof, or having jurisdiction over the relevant circumstances, or any person acting under the authority of any of the foregoing (including, without limitation, the Electrical Safety Authority, Municipal Property Assessment Corporation, or any arbitrator).

“Hazardous Materials” means any contaminant, substance, pollutant, waste, hazardous material, toxic substance, radioactive substance, petroleum, its derivatives, by-products and other hydrocarbons, dangerous substance or dangerous goods or material that is: (i) deemed hazardous or toxic under Environmental Laws; (ii) prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Laws; or (iii) present to a degree or in an amount in excess of thresholds regulated under Environmental Laws.

“HST Act” has the meaning ascribed thereto in Section 6.2(f).

“Liabilities” means all costs, expenses, charges, debts, liabilities, commitments and obligations of any nature or kind, whether accrued or fixed, actual, absolute, contingent, latent or otherwise, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law or Claim and those arising under any Contract or undertaking or otherwise, including any tax liability or tort liability of the Receiver.

“Notice” has the meaning ascribed thereto in Section 10.18.

“Outside Date” means May 29, 2026, or such later date as agreed to by the Parties.

“Parties” means the Vendor and the Purchaser, collectively, and **“Party”** means any one of them.

“Permitted Encumbrances” means all those Encumbrances described in Schedule B attached hereto.

“Person” means an individual, partnership (limited or general), corporation, trust, unincorporated organization, government or any department or agency thereof, and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual.

“Property” has the meaning ascribed thereto in the Recitals.

“Purchase Price” has the meaning ascribed thereto in Section 3.1.

“Purchaser” has the meaning ascribed thereto in the Recitals.

“Purchaser’s GST/HST Certificate” has the meaning ascribed thereto in Section 4.1(d)iii.

“Purchaser’s Solicitors” means Page Martin LLP or such other firm or firms of solicitors or agents as are retained by the Purchaser from time to time and Notice of which is provided to the Vendor.

“Receiver” has the meaning ascribed thereto in the Recitals.

“**Receiver’s Borrowings Charge**” has the meaning given in paragraph 21 of the Appointment Order and used therein.

“**Receiver’s Charge**” has the meaning given in paragraph 18 of the Appointment Order and used therein.

“**Receiver’s Website**” means the website with the following URL:
https://www.rosengoldberg.com/company-files.php?company_id=125

“**Receivership Proceeding**” means the receivership proceeding with respect to the Debtor commenced by the Appointment Order.

“**Receiving Party**” has the meaning ascribed thereto in Section 7.6(c).

“**Sale Procedure**” means the sale procedure approved by the Court substantially in the form attached hereto as Schedule C, authorizing the Receiver to enter into this Agreement, approving the sale of the Subject Assets as contemplated by this Agreement and, in particular, the Purchase Price, as a baseline or “stalking horse” bid, and setting out the terms and conditions of a timetable for a sale process with respect to the Subject Assets, with such amendments as are satisfactory to the Receiver and Purchaser acting reasonably.

“**Sale Procedure Order**” means an order of the Court approving the Sale Procedure.

“**Stalking Horse Bid**” has the meaning ascribed thereto in Section 2.6(c).

“**Subject Assets**” means all the right, title and interest of the Receiver and the Debtor in and to the tangible and intangible properties, assets, interests, rights and claims related to the Property and/or the Business, wherever located, as of the Closing Date including without limitation the following assets, if any:

- (a) the Property;
- (b) the Assumed Contracts;
- (c) the Permitted Encumbrances; and
- (d) all other personal property not contemplated by the foregoing,

but excludes the right, title and interest of the Receiver and the Debtor in and to the Excluded Assets and the Excluded Contracts.

“**Successful Bid**” has the meaning given to it in the Sale Procedure.

“**Successful Bidder**” has the meaning given to it in the Sale Procedure.

“**Taxes**” means all taxes, harmonized sales taxes (“**HST**”), land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not.

“**Tendering Party**” has the meaning ascribed thereto in Section 7.6(c).

“**TERS**” has the meaning ascribed thereto in Section 7.6(a).

“**Transaction**” means the purchase and sale of the Subject Assets provided for in this Agreement.

“**Vendor**” means the Receiver.

“**Vendor’s Solicitors**” means Gowling WLG (Canada) LLP or such other firm or firms of solicitors or agents as are retained by the Vendor from time to time and Notice of which is provided to the Purchaser.

“**Vesting Order Motion**” means a motion by the Receiver seeking the granting of the Approval and Vesting Order.

“**Work Orders**” means any material outstanding permit, infraction, order, notice to comply or remedy, work order, active notification, directive or deficiency notice issued by a governmental authority.

1.2 Schedules

The following schedules attached hereto form part of this Agreement:

- Schedule A - Property
- Schedule B - Permitted Encumbrances
- Schedule C - Sale Procedure

1.3 Computation of Time Periods

Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day.

ARTICLE 2 AGREEMENT OF PURCHASE AND SALE

2.1 Purchase and Sale of the Subject Assets

Upon and subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser agrees to purchase, all right, title and interest of the Debtor in and to the Subject Assets, free and clear of all Encumbrances other than the Permitted Encumbrances.

2.2 Excluded Assets

All undertakings, property, and assets of the Debtor other than the Subject Assets shall be excluded from the purchase and sale of assets provided for in this Agreement.

Nothing herein will be deemed to constitute an agreement to sell, transfer, assign or convey the Excluded Assets to the Purchaser.

2.3 Binding Agreement

The agreements of the Vendor and the Purchaser set forth in Section 2.1 create and constitute a binding agreement of purchase and sale for the Subject Assets in accordance with and subject to the terms and conditions of this Agreement.

2.4 Acknowledgement of Purchaser as to Condition of the Subject Assets

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Purchaser acknowledges and agrees that:

- (a) The Purchaser acknowledges and agrees that it has determined to proceed with the Transaction contemplated herein and will accept title to the Subject Assets in its then current state, condition, location, and amounts, subject to all Permitted Encumbrances. If, in respect of the Property, any valid objection to title, including any Encumbrance, save and except the Permitted Encumbrances, is made by the Purchaser prior to the Closing Date, which the Vendor is unwilling or unable to remove, remedy, or satisfy and which the Purchaser will not waive or is not satisfied by title insurance, the Purchaser may terminate this Agreement by Notice to the Vendor, whereupon, the Deposit with interest accrued thereon shall be forthwith returned to the Purchaser and the Purchaser and the Receiver shall be released from all obligations under this Agreement.
- (b) Except for the representations and warranties of the Receiver expressly set out in in this Agreement, in entering into this Agreement and closing the Transaction contemplated hereby, the Purchaser has relied and will continue to rely entirely and solely upon its own inspections and investigations with respect to the Subject Assets.
- (c) Except as otherwise expressly provided for in this Agreement, the Subject Assets are being purchased and assumed by the Purchaser on an “as is, where is” basis as of the date of this Agreement and without any express or implied agreement or representation and warranty of any kind whatsoever or any liability or obligation of the Receiver as to the physical or financial condition, suitability for development, fitness for a particular purpose, merchantability, title, Encumbrances, description, physical characteristics, profitability, use or zoning, environmental condition, existence of latent defects, quality, the availability of suitable first-mortgage financing, or any other aspect or characteristic thereof. Without limiting the generality of the foregoing, any and all of the conditions or warranties expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or comparable legislation shall not apply and are hereby waived by the Purchaser. The Purchaser further

acknowledges that all documents and information provided or made available to it by the Receiver (including its employees, agents and representatives) are for reference only and that the Purchaser has not relied on any such documents and information in entering into this Agreement.

- (d) Except as otherwise expressly provided for in this Agreement, the Receiver makes no agreements or representations and warranties concerning any statements made or other information delivered or made available to the Purchaser (whether by the Receiver, the Receiver's solicitors or any other agents, or representatives or advisors of the Receiver or any of its affiliates, or any other person) with respect to the Subject Assets.
- (e) Any materials provided by the Receiver or its solicitors, agents, representatives and advisors are provided to the Purchaser without representation or warranty and the Purchaser will rely entirely and solely upon its own investigations and inspections and shall not rely on such materials or any other information furnished by the Receiver or any other person or entities on behalf of or at the direction of the Receiver in connection therewith.
- (f) Except as otherwise expressly provided for in this Agreement, the Receiver will have no obligations or responsibility to the Purchaser after Closing with respect to any matter relating to the Subject Assets or the condition thereof.
- (g) The Purchaser hereby acknowledges and confirms that it has conducted to its satisfaction its own independent investigation, analysis and evaluation of the condition of and title to the Subject Assets as it deems necessary or appropriate and that, in making its decision to enter into this Agreement and to consummate the Transaction contemplated hereby, it has and will rely solely on such independent investigation. Without limiting the generality of the foregoing, the Purchaser acknowledges that it has, at its own expense, examined title to the Property and satisfied itself as to the state thereof, and has satisfied itself as to (i) any outstanding work orders affecting the Property; (ii) the use of the Property being in accordance with applicable zoning requirements or by-laws.
- (h) The Vendor will not be liable for the removal by any third party of any fixtures or chattels from the Property prior to, on or after Closing. On Closing the Purchaser shall have possession of the fixtures and chattels then on or about the Property on an entirely "as is, where is" basis. The Vendor will not provide a bill of sale, warranty, security interest discharge or other title documentation and there will be no adjustment or abatement of any kind to the Purchase Price with respect to fixtures and chattels.
- (i) The Vendor is under no obligation to provide vacant possession of the Property. The Vendor makes no representation whatever with reference to any tenancy or occupancy of the Property or any other rights whatsoever in the Property.
- (j) The provisions of this Section 2.4 shall not merge on, but shall survive, Closing.

2.5 Confidentiality

- (a) Except as may be required in connection with the Receivership Proceeding, until Closing (and in the event this Agreement is terminated for any reason other than its completion, then also from and after such termination), the Purchaser and its consultants, agents, representatives, advisors, partners, solicitors, lenders and prospective lenders and their respective solicitors shall keep confidential all information, documentation and records obtained from the Vendor or its consultants, agents, representatives, advisors or solicitors with respect to the Subject Assets, as well as any information arising out of the Purchaser's access to the Vendor's and the Debtor's records and the Subject Assets and the Purchaser's own due diligence with respect thereto (collectively, the "**Confidential Information**"). The Purchaser shall not use any Confidential Information for any purposes not related to this Transaction or in any way detrimental to the Debtor or the Vendor. Nothing herein contained shall restrict or prohibit the Purchaser from disclosing the Confidential Information to its consultants, agents, representatives, advisors, partners, solicitors, lenders and prospective lenders and their respective solicitors so long as the Purchaser instructs such parties to keep such information confidential.
- (b) The Confidential Information referred to in this Section shall not include:
 - i. public information or information in the public domain at the time of receipt by the Purchaser or its consultants, agents, advisors, partners and solicitors;
 - ii. information which becomes public through no fault or act of the Purchaser or its consultants, agents, advisors, partners and solicitors;
 - iii. information required to be disclosed by law; or
 - iv. information received in good faith from a third party lawfully in possession of the information and not in breach of any confidentiality obligations.
- (c) If this Agreement is terminated for any reason, the Purchaser shall promptly return to the Vendor, or destroy (and provide a certificate of an officer of the Purchaser certifying such destruction), all Confidential Information (other than the Purchaser's notes and due diligence materials) and similar material including all copies, and shall destroy all of the Purchaser's notes and due diligence materials in hard or soft copy containing Confidential Information related to this Transaction (and provide a certificate of an officer of the Purchaser certifying such destruction). The Purchaser shall also cause all of its consultants, agents, representatives, advisors, partners, solicitors, lenders and prospective lenders and their respective solicitors to comply with the terms of this Section 2.5(c) and to certify such compliance to the Vendor.
- (d) Notwithstanding anything herein to the contrary, the Receiver shall be entitled to disclose this Agreement and all information provided by the Purchaser in connection herewith to the Court, to the parties with an interest in the proceedings

in connection with the receivership of the Debtor, and to any parties entitled to access in accordance with the Sale Procedure, and to publish this Agreement on the Receiver's Website.

2.6 Sale Procedure Order, Approval and Vesting Order

- (a) Capitalized terms used in this Section 2.6 and not otherwise defined have the meanings ascribed to such term in the Sale Procedure.
- (b) The Receiver and the Purchaser acknowledge that (i) this Agreement is subject to Court approval, and (ii) Closing of the Transaction is subject to this Agreement being determined by the Receiver to be the Successful Bid, and to the issuance of the Approval and Vesting Order.
- (c) Subject to the availability of the Court, the Receiver shall use its commercially reasonable efforts to obtain the Sale Procedure Order on or before January 30, 2026, or such other date on which the Parties may agree. The Sale Procedure Order shall recognize the within offer by the Purchaser and the Purchase Price: (i) as a baseline or "stalking horse bid" in respect of the Subject Assets (the "**Stalking Horse Bid**"); and (ii) as a deemed "Qualified Bid", with an attendant right on the part of the Purchaser to participate as a Bidder in the Sale Procedure. The Purchaser acknowledges and agrees that the aforementioned procedure is in contemplation of determining whether a superior bid can be obtained for the Subject Assets.
- (d) Upon the selection of the Successful Bid, the Receiver shall as soon as reasonably practicable following the selection of the Successful Bidder and subject to the availability of the Court, use its commercially reasonable efforts to promptly file and serve the Vesting Order Motion, on notice to the necessary parties.
- (e) Notwithstanding anything to the contrary contained herein, in the event that the Purchaser is not the Successful Bidder under the Sale Procedure, then upon selection of the other Successful Bid: (i) this Agreement shall be terminated, and (ii) neither Party hereto shall have any further Liability or obligation hereunder, except as expressly provided for in this Agreement.
- (f) The Purchaser shall provide all information, if any, and take such actions as may be reasonably requested by the Receiver to assist the Receiver in obtaining the Sale Procedure Order, and if the Purchaser is the Successful Bidder, the Approval and Vesting Order, and any other order of the Court reasonably necessary to consummate the Transaction.
- (g) The Receiver shall provide such prior notice as may be reasonable under the circumstances before filing any materials with the Court that relate, in whole or in part, to this Agreement, the Purchaser, or the Approval and Vesting Order and shall consult in good faith with the Purchaser regarding the content of such materials prior to any such filing (provided that the Receiver shall not be obligated to incorporate the comments of the Purchaser into any such filings).

2.7 Receiver's Capacity

The Purchaser acknowledges and agrees that in all matters pertaining to the Sale Procedure and this Agreement, including its execution, the Receiver has acted and is acting solely in its capacity as receiver and manager of the Property pursuant to the Appointment Order and not in its personal, corporate, or any other capacity and the Receiver and its agents, officers, directors, employees and representatives will have no personal or corporate liability under or as a result of this Agreement, or otherwise in connection herewith.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

- (a) The Purchase Price for the Subject Assets, exclusive of all applicable Taxes, shall be equal to seven million, one hundred and fifty thousand dollars (\$7,150,000) (the "**Purchase Price**").
- (b) The Purchaser shall satisfy the Purchase Price, subject to adjustment in accordance with Section 3.4, by:
 - i. Submitting, concurrent with the execution of this Agreement, a deposit (the "**Deposit**") in the amount of six hundred and fifty thousand (\$650,000) dollars payable by electronic wire transfer to the Vendor or the Vendor's Solicitors (each, as applicable, the "**Deposit Holder**"), to be held by the Deposit Holder in trust pending completion or other termination of this Agreement and to be credited to the Purchaser on account of the Purchase Price on completion, with interest; and
 - ii. paying by way of electronic wire transfer on the Closing Date the balance of the Purchase Price, subject to the usual adjustments, to the Vendor, or as the Vendor may otherwise direct in writing.

3.2 Deposit Holder

The Vendor and Purchaser hereby authorize the Deposit Holder to place the Deposit in a term deposit or interest bearing account with all interest earned on such Deposit to be paid to the Purchaser upon completion or termination of this Agreement, except in the case of the sole default by the Purchaser under this Agreement. The parties acknowledge that the Deposit Holder shall be a mere stakeholder of the Deposit as between the parties to this Agreement and, in the event of a dispute between the Vendor and the Purchaser as to entitlement to, or disposition of, the Deposit and/or the interest accrued thereon, the Vendor shall be entitled to bring an application to Court to pay or direct payment of the Deposit and/or the interest accrued thereon into Court and thereafter shall have no further responsibility in regard thereto and the Deposit Holder may act in the interest of the Vendor in the matter of any dispute between the parties.

3.3 Purchase Price Allocation

The allocation of the Purchase Price in respect of each of the Subject Assets shall be made by each of the Purchaser and the Vendor, both acting reasonably, for itself, no later than (3) Business Days prior to the Closing Date.

3.4 Adjustments

- (a) The Purchase Price will be adjusted as of the Closing Date (with the Closing Date being allocated to the Purchaser) for all items that are adjusted in accordance with usual commercial practice for adjustment between a vendor and purchaser with respect to the purchase and sale of a comparable property in Ontario, including, without limitation, realty taxes, utilities and any other items which are usually adjusted in purchase transaction involving assets similar to the Subject Assets in the context of a receivership sale. For greater certainty, and notwithstanding any provision to the contrary in this Agreement, the Vendor shall be responsible for the full amount of all accrued but unpaid Taxes (other than any land transfer tax) and expenses and be entitled to all income related to the Property in respect of the period prior to the Closing Date and the Purchaser shall be responsible for all Taxes (including any land transfer tax) and expenses that accrue on or after the Closing Date and be entitled to all income related to the Property in respect of the period from and including the Closing Date.
- (b) The Vendor shall prepare a statement of adjustments in accordance with this Section 3.4 and deliver it to the Purchaser at least five (5) Business Days prior to the Closing Date and shall have annexed to it the calculations used by the Vendor to arrive at all debits and credits on the statement of adjustments. The Vendor shall give the Purchaser's representatives reasonable access to the Vendor's working papers and backup materials in order to confirm the statement of adjustments.
- (c) If the adjustment amount for any item was an initial adjustment or was omitted from the statement of adjustments at Closing, such item will be re-adjusted or adjusted, as the case may be, after Closing on or before the date that is the first to occur of (i) six (6) months after the Closing Date and (ii) ten (10) days before the date on which the Receiver is discharged by the Court as receiver and manager of all of the assets, undertakings and properties of the Debtor in the Subject Assets (the "**Final Adjustment Date**"). There shall be no adjustments after the Final Adjustment Date. The Purchaser shall promptly pay to the Receiver any additional amounts required to be paid, if any, after giving effect to such additional adjustments.

ARTICLE 4 TAXES

4.1 Taxes

- (a) The Purchaser will pay, upon Closing, all land transfer taxes, registration fees, HST and any other applicable federal, provincial and municipal Taxes exigible on the transfer and sale of the Subject Assets.

- (b) The Purchaser acknowledges that there are outstanding arrears with respect to real property taxes owing to the Corporation of the Town of Wasaga Beach in respect of the Property. The Vendor hereby covenants and agrees to pay real property taxes in respect of all periods prior to Closing at, or immediately following Closing out of the proceeds received at Closing, or to otherwise make an adjustment for the payment of such amount if so agreed between the Parties.
- (c) If applicable, at Closing, the Vendor and the Purchaser shall jointly elect an election under Section 167 of the HST Act to seek to cause the sale of the Subject Assets to take place on an HST-free basis under Part IX of the HST Act and the Purchaser shall file such election with its HST return for the applicable reporting period in which the sale of the Subject Assets takes place.
- (d) No HST shall be payable by the Purchaser to the Vendor, nor collected by the Vendor, provided:
 - i. the Purchaser represents and warrants that the Purchaser shall be purchasing the Subject Assets on the Closing Date, as principal for its own account and not as an agent, trustee or otherwise on behalf of another person;
 - ii. the Vendor and the Purchaser acknowledge that, subject to Section 4.1(c), HST is applicable, and in addition to the Purchase Price, and the Purchaser shall pay or cause the payment of all applicable HST on that portion of the Purchase Price allocated thereto pursuant to this Agreement, as and when the same are payable;
 - iii. in respect of applicable HST on the Subject Assets, the Purchaser certifies it, or any person or entity acquiring beneficial ownership of the Subject Assets on behalf of the Purchaser, is and will be registered under Subdivision D of Division V of Part IX of the HST Act on Closing, and on Closing the Purchaser or any person or entity acquiring beneficial ownership of the Subject Assets on behalf of the Purchaser on Closing shall deliver a certificate (the “**Purchaser’s GST/HST Certificate**”), in the customary form, to the Vendor confirming that the Purchaser or any person or entity acquiring beneficial ownership of the Subject Assets on behalf of the Purchaser on Closing is registered for HST, setting out its HST number, and that it will self-assess and remit the HST applicable on the Subject Assets to the applicable governmental authorities.
- (e) In the event the Purchaser is not registered under Subdivision D of Division V of Part IX of the HST Act for HST purposes and, as a result thereof, the Vendor is required to collect and remit HST, the Purchaser shall deliver to the Vendor on Closing by electronic wire transfer the amount of HST payable with respect to the Subject Assets in the transaction herein contemplated.

ARTICLE 5 CONDITIONS

5.1 Conditions for Vendor

The obligation of the Vendor to complete the Transaction shall be subject to the following conditions:

- (a) on the Closing Date, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects;
- (b) on the Closing Date, all of the representations and warranties of the Purchaser set out in Section 6.2 shall be true and accurate in all material respects as if made as of the Closing;
- (c) on Closing, receipt of all deliveries to be made by the Purchaser as set out in Section 7.3;
- (d) on the Closing Date, there shall be no order issued by any Governmental Authority delaying, restricting or preventing, and no pending Claim or judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing, the consummation of the Transaction or otherwise claiming that this Agreement or the consummation of such Transaction is improper or would give rise to proceedings under any Applicable Laws; and
- (e) on the Closing Date, the Receiver shall have determined in accordance with the Sale Procedure that this Agreement is the Successful Bid.

The conditions set forth in this Section 5.1 are for the sole benefit of the Vendor and may be waived in whole or in part by the Vendor by Notice in writing to the Purchaser prior to the applicable date set forth above for their respective waiver or satisfaction.

5.2 Conditions for Purchaser

The obligation of the Purchaser to complete the Transaction shall be subject to the following conditions:

- (a) on the Closing Date, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects;
- (b) on the Closing Date, all of the representations and warranties of the Vendor set out in Section 6.1 shall be true and accurate in all material respects as if made as of the Closing (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement or the Sale Procedure);

- (c) on Closing, receipt of all deliveries to be made by the Vendor as set out in Section 7.2;
- (d) on the Closing Date, there shall be no Order issued by any Governmental Authority delaying, restricting or preventing, and no pending Claim or judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing, the consummation of the Transaction or otherwise claiming that this Agreement or the consummation of such Transaction is improper or would give rise to proceedings under any Applicable Laws; and
- (e) on the Closing Date, the Receiver shall have determined in accordance with the Sale Procedure that this Agreement is the Successful Bid.

The conditions set forth in this Section 5.2 are for the sole benefit of the Purchaser, and may be waived in whole or in part by the Purchaser by Notice to the Vendor prior to the applicable date set forth above for the waiver or satisfaction of each such condition.

5.3 Mutual Conditions

The completion of the Transaction is subject to the following terms and conditions for the mutual benefit of the Receiver and the Purchaser, to be performed or fulfilled at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order; and
- (b) the Approval and Vesting Order shall be a Final Order.

The Purchaser, at its own expense, shall promptly provide to the Receiver all such information and assistance within the Purchaser's power as the Receiver may reasonably require to obtain the Approval and Vesting Order. The foregoing condition is a true condition precedent that cannot be waived by either party hereto.

5.4 Satisfaction of Conditions

Each Party agrees to proceed in good faith, with promptness and reasonable diligence to attempt to satisfy those conditions contained in Sections 5.1, 5.2 and 5.3, as applicable, that are within its control, acting reasonably. The Parties shall cooperate with each other and the Purchaser shall provide the Vendor with information in its possession or control necessary to seek the Sale Procedure Order and the Approval and Vesting Order. Each Party shall promptly notify the other of the occurrence, to such Party's knowledge, of any event or condition, or the existence, to such Party's knowledge, of any fact, that would reasonably be expected to result in any of the conditions set forth in Section 5.1, Section 5.2 or Section 5.3 not being satisfied.

5.5 Non-Satisfaction of Conditions

- (a) If any of the conditions set out in Section 5.1 are not satisfied or waived on or before the Closing Date, the Vendor may terminate this Agreement by Notice in writing to the Purchaser given on the Closing Date, in which event this Agreement shall be

terminated and of no further force or effect whatsoever, and each of the Parties shall be released from all of its liabilities and obligations under this Agreement, save for those specified to survive termination, and the Deposit and all interest accrued thereon shall be returned to the Purchaser forthwith. However, the Vendor may waive compliance with any of the conditions set out in Section 5.1 in whole or in part if it sees fit to do so, without prejudice to its rights of termination in the event of non-fulfilment of any other condition contained in Section 5.1 in whole or in part.

- (b) If any of the conditions set out in Section 5.2 are not satisfied or waived on or before the Closing Date, the Purchaser may terminate this Agreement by Notice in writing to the Vendor given on or before the Closing Date, in which event this Agreement shall be terminated and of no further force or effect whatsoever, and each of the Parties shall be released from all of its liabilities and obligations under this Agreement, save for those specified to survive termination, and the Deposit and all interest accrued thereon shall be returned to the Purchaser forthwith. However, the Purchaser may waive compliance with any of the conditions set out in Section 5.2 in whole or in part if it sees fit to do so, without prejudice to its rights of termination in the event of non-fulfilment of any other condition contained in Section 5.2 in whole or in part.
- (c) If any of the conditions set out in Section 5.3 are not satisfied or performed prior to the time specified therefor, this Agreement shall automatically be terminated, in which case neither party shall be under any further obligation to the other to complete the herein contemplated transaction and any Deposit and all interest accrued thereon shall be returned to the Purchaser forthwith.
- (d) All conditions to be satisfied on Closing shall be deemed to be satisfied if Closing occurs.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of Vendor

The Vendor represents and warrants to and in favour of the Purchaser that, as of the date of this Agreement:

- (a) Status. The Vendor has been appointed by the Court as receiver and manager of all of the assets, undertakings and properties of the Debtor pursuant to the Appointment Order, a copy of which is available on the Receiver's Website.
- (b) Authorization. Subject to the issuance of the Sale Procedure Order, the Receiver has all necessary power and authority to enter into this Agreement.
- (c) Enforceability. Subject to the issuance of the Sale Procedure Order and the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Receiver enforceable against it in accordance with its terms

subject to any limitations imposed by Applicable Laws, and the Receiver has the necessary power and authority to carry out its obligations hereunder.

- (d) Residence. The Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

6.2 Representations and Warranties of Purchaser

The Purchaser covenants, represents and warrants to and in favour of the Vendor that, as of the date of this Agreement:

- (a) Status. The Purchaser is duly organized and subsisting under the laws of its jurisdiction of organization. The Purchaser has all necessary power, authority and capacity to enter into this Agreement and all other agreements contemplated by this Agreement and to perform its obligations under this Agreement and all other agreements contemplated by this Agreement.
- (b) Authorization. The execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Purchaser and the consummation of the Transaction contemplated by this Agreement by the Purchaser have been duly authorized by all necessary corporate action on the part of the Purchaser.
- (c) Enforceability. This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms subject to any limitations imposed by Applicable Laws.
- (d) No Breach. Neither the entering into nor the delivery of this Agreement nor the completion by the Purchaser of the Transaction contemplated hereby will conflict with, or constitute a default under, or result in a violation of: (i) any of the provisions of the constating documents or by-laws of the Purchaser; or (ii) any Applicable Laws.
- (e) No Bankruptcy. The Purchaser: (i) is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada); (ii) has not made an assignment in favour of its creditors or a proposal to its creditors or any class thereof; (iii) has not had any application for a bankruptcy order filed or presented in respect of it; and (iv) has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution.
- (f) GST/HST. The Purchaser, or any person or entity acquiring beneficial ownership of the Property on behalf of the Purchaser, will on Closing be a GST/HST registrant, as the case may be, under the *Excise Tax Act* (Canada) (the “**HST Act**”) and the Purchaser, or any person or entity acquiring beneficial ownership of the Property on behalf of the Purchaser, will be the sole “recipient” of a supply as defined thereunder and will provide its registration number, as applicable, to the

Vendor on or before the Closing Date. The Purchaser's HST number shall be provided in the Purchaser's GST/HST Certificate.

- (g) Residence. The Purchaser is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).
- (h) Not a Non-Canadian. The Purchaser is not a non-Canadian as defined in the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada) (a "**Non-Canadian**"), and the Purchaser agrees that it will not assign this Agreement to or direct that title to the Property be registered in the name of a Non-Canadian, nor will it hold title to the Property or any part thereof or any interest therein as trustee, nominee or agent for any person that is a Non-Canadian. The Purchaser agrees and covenants that it or its assignee or a person to whom the Purchaser directs that title to the Property be registered in the name of will not hold the Property or any part thereof or any interest therein as trustee, nominee or agent for any person that is a Non-Canadian.

ARTICLE 7 CLOSING DOCUMENTS

7.1 Closing Date

The Transaction shall be completed on the Closing Date electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables by electronic transmission in PDF format, subject to the terms and conditions of this Agreement.

7.2 Vendor's Closing Documents

At Closing, the sale, transfer, assignment, and conveyance by the Vendor of the Subject Assets to the Purchaser, shall be free and clear of all Encumbrances other than Permitted Encumbrances, and effected by the issued and entered Approval and Vesting Order. On or before Closing, subject to the provisions of this Agreement, the Vendor shall prepare and execute or cause to be executed and shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true and complete copy of the Approval and Vesting Order;
- (b) the Assignment and Assumption of Contracts, and such other assignment, assumption and other documents as are required by the terms of the Assumed Contracts;
- (c) a certificate of an officer of the Vendor (in such capacity and without personal liability) confirming that the representations and warranties set out in Section 6.1 are true and accurate in all material respects;
- (d) to the extent in the Vendor's possession or control, original copies of all Assumed Contracts, if any;
- (e) the statement of adjustments contemplated by Section 3.4 hereof;

- (f) an undertaking by the Vendor to re-adjust the adjustments (and any such re-adjusted amounts, if applicable) in accordance with Section 3.4 hereof;
- (g) if applicable, the elections contemplated in Section 4.1(c) hereof; and
- (h) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor, each acting reasonably and in good faith, provided that none of such documents shall contain covenants, representations or warranties which are in addition to or more onerous upon either the Vendor or the Purchaser than those expressly set forth in this Agreement.

7.3 Purchaser's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Purchaser shall execute or cause to be executed and shall deliver or cause to be delivered to the Vendor, as applicable, the following:

- (a) the balance of the Purchase Price due on Closing;
- (b) a direction re title;
- (c) the Assignment and Assumption of Contracts, and such other assignment, assumption and other documents as are required by the terms of the Assumed Contracts;
- (d) a certificate of an officer of the Purchaser (in such capacity and without personal liability) confirming that the representations and warranties set out in Section 6.2 are true and accurate in all material respects;
- (e) the Purchaser's GST/HST Certificate, or, if applicable, the elections contemplated in Section 4.1(c) hereof;
- (f) an undertaking by the Purchaser to re-adjust the adjustments in accordance with Section 3.4 hereof; and
- (g) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor each acting reasonably and in good faith, provided that none of such documents shall contain covenants, representations or warranties which are in addition to or more onerous upon either the Vendor or the Purchaser than those expressly set forth in this Agreement.

7.4 Closing Certificate

When the deliveries and conditions set out in Section 5.1, 5.3, 7.2, and 7.3 hereof have been satisfied or waived, as confirmed by the Parties in writing, the Receiver will deliver an executed

certificate to the Purchaser, substantially in the form attached to the Approval and Vesting Order (the “**Closing Certificate**”). Upon such delivery, the Closing will be deemed to have occurred. The Receiver will thereafter promptly file a copy of the Closing Certificate with the Court. The Receiver shall have no liability to the Purchaser or any other person as a result of filing the Closing Certificate.

7.5 Registration and Other Costs

- (a) The Vendor shall be responsible for the costs of the Vendor’s Solicitors in respect of this Transaction. The Purchaser shall be responsible for the costs of the Purchaser’s Solicitors in respect of this Transaction. The Purchaser shall be responsible for and pay any land transfer taxes payable on the transfer of the Property, all registration fees payable in respect of registration by it of any documents on Closing and all federal and provincial sales and other Taxes payable by a purchaser upon or in connection with the conveyance or transfer of the Subject Assets, including provincial retail sales tax, goods and services tax and HST in accordance with Section 4.1 hereof.
- (b) The Purchaser shall indemnify and save harmless the Vendor and its shareholders, directors, officers, employees, advisors, representatives and agents from all Claims, actions, causes of action, proceedings, losses, damages, costs, Liabilities and expenses incurred, suffered or sustained as a result of:
 - i. A failure by the Purchaser to pay any federal, provincial or other Taxes payable by the Purchaser in connection with the conveyance or transfer of the Subject Assets whether arising from a reassessment or otherwise, including provincial retail sales tax, goods and services tax and HST, if applicable;
 - ii. A failure by the Purchaser to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Subject Assets; and/ or
 - iii. The Transaction or any inaccuracy, misstatement or misrepresentation made by the Purchaser on the Closing Date in connection with any matter raised in this Agreement or contained in any certificate or declaration referred to herein.
- (c) This Section shall survive and not merge on Closing.

7.6 Electronic Registration

- (a) The Purchaser’s Solicitors and the Vendor’s Solicitors shall each be obliged to be authorized users under the Teraview electronic registration system (“**TERS**”) and in good standing with the Law Society of Ontario, and are hereby authorized by the Parties to enter into a document registration agreement in the form recommended by the Law Society of Ontario (“**DRA**”), establishing the procedures and timing for completing this transaction, which DRA shall be exchanged between the Vendor’s Solicitors and the Purchaser’s Solicitors at or before the Closing Date. The DRA shall also provide that if there is a problem with TERS which does not allow the

solicitors to electronically register all documents at Closing, the Closing Date shall be deemed to be extended until the next day when TERS is accessible and operating at the Land Registry Office.

- (b) The delivery and exchange of any documents and monies contemplated to be delivered by this Agreement, and the release thereof to the Vendor and the Purchaser, as the case may be, shall not occur contemporaneously with the registration of the electronic documents; and shall be governed by the DRA, pursuant to which the solicitor receiving any Closing deliveries will be required to hold same in escrow, and will not be entitled to release same except in strict accordance with the provisions of the DRA.
- (c) Notwithstanding any other tender requirements in this Agreement to the contrary, it is expressly understood and agreed by the Parties that an effective tender shall be deemed to have been validly made by either Party (in this Subsection called the “**Tendering Party**”) upon the other Party (in this Subsection called the “**Receiving Party**”) when the solicitor for the Tendering Party has:
 - i. delivered all Closing deliveries to the Receiving Party’s solicitor in accordance with the provisions of this Agreement and the DRA, but for greater certainty the Tendering Party shall be required to demonstrate that it is in funds but shall not be required to electronically wire or otherwise deliver funds to the Receiving Party;
 - ii. advised the solicitor for the Receiving Party, by Notice that the Tendering Party is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
 - iii. completed all steps required by TERS in order to complete the Transaction that can be performed or undertaken by the Tendering Party’s solicitor without the cooperation or participation of the Receiving Party’s solicitor, including without limitation, the Tendering Party’s solicitor must have electronically “signed” the electronic documents for completeness and granted “access” to the Receiving Party’s solicitor.
- (d) For greater certainty, to validly tender in the foregoing circumstance, there shall be no requirement for any party to personally attend upon the Receiving Party or the Receiving Party’s solicitor with the Closing deliveries, and without any requirement to have an independent witness evidencing the foregoing.

ARTICLE 8 CONTRACTS AND OTHER PRE-CLOSING MATTERS

8.1 Contracts

- (a) On Closing, the Purchaser shall assume those Contracts that the Purchaser advises the Vendor it wants to assume (the “**Assumed Contracts**”) by Notice delivered to the Vendor no later than ten (10) Business Days prior to the return date of the Vesting Order Motion (the “**Contract Notice Date**”). At any time on or prior to

the Contract Notice Date, the Purchaser may elect to exclude any Contracts from the Subject Assets, and characterize such Contracts as Excluded Contracts by giving written notice to the Vendor of its intention to do so.

- (b) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Contract, to the extent such Contract is not assignable under Applicable Law without the consent of any other Person or party thereto where the Consent of such Person has not been given or received.
- (c) The Vendor shall terminate on or before the Closing Date, all Contracts other than the Assumed Contracts.
- (d) At or prior to Closing, the Purchaser, with the Vendor's assistance as may be reasonably required, shall use commercially reasonable efforts to obtain all necessary Consents to assign the Assumed Contracts to the Purchaser. The Purchaser shall assume the Assumed Contracts, to the extent they are assignable and in force on Closing, pursuant to the Assignment and Assumption of Contracts.

8.2 No Amendments

Prior to Closing, the Vendor shall not enter into any contract or agreement affecting the Property or agree to amend, modify, vary, terminate, surrender or cancel any existing agreement affecting the Property (including without limitation any leases or offers to lease), which the Purchaser would be bound to assume on Closing, without the prior written approval of the Purchaser (which approval the Vendor acknowledges and agrees may be unreasonably and arbitrarily withheld by the Purchaser). The Vendor shall provide to the Purchaser all information that the Purchaser reasonably determines to be necessary in order to decide whether or not to grant its approval.

ARTICLE 9 TERMINATION

9.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) automatically and without any action or notice by either the Vendor to the Purchaser or the Purchaser to the Vendor, immediately (i) upon the selection by the Receiver of a Successful Bid if this Agreement is neither the Successful Bid nor the Back-up Bid selected at such time, or (ii) upon the Closing of the Successful Bid if this Agreement is the Back-up Bid;
- (b) subject to any approvals required from the Court, if any, by mutual written consent of the Vendor and the Purchaser;
- (c) by notice from the Vendor to the Purchaser or from the Purchaser to the Vendor, following the issuance of an order or any other action by a Governmental Authority to restrain, enjoin or otherwise prohibit the transfer of the Subject Assets as contemplated hereby;

- (d) automatically and without any action by either the Vendor or the Purchaser if the Closing has not occurred on or before the Outside Date;
- (e) by the Vendor, if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty which would prevent the satisfaction of any condition set forth in this Agreement and such violation or breach has not been waived by the Vendor or cured, unless the Vendor is in material breach of its obligations under this Agreement;
- (f) by the Purchaser, if there has been a material violation or breach by the Vendor of any agreement, covenant, representation or warranty which would prevent the satisfaction of any condition set forth in this Agreement and such violation or breach has not been waived by the Purchaser or cured, unless the Purchaser is in material breach of its obligations under this Agreement; and
- (g) if any valid objection to title is made by the Purchaser prior to the Closing Date, which the Vendor is unwilling or unable to remove, remedy, or satisfy and which the Purchaser will not waive or is not satisfied by title insurance.

9.2 Effects of Termination

- (a) If this Agreement is terminated pursuant to Section 9.1(e):
 - i. all further obligations of the Parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other;
 - ii. the Deposit and all interest accrued thereon shall be forfeited to the Receiver as liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Receiver would suffer in the circumstances, and this Section shall be the Receiver's sole right and remedy pursuant to this Agreement or at law as a result of the Purchaser's breach; and
 - iii. the Purchaser shall return to the Receiver all documents, work papers and other material of the Receiver and the Debtor, as the case may be, relating to the Transaction, whether obtained before or after the execution hereof.
- (b) If this Agreement is terminated pursuant to Section 9.1(a) - 9.1(d) or 9.1(f) - 9.1(g):
 - i. all further obligations of the Parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other, subject to the Expense Reimbursement and Break Fee set out in Section 9.2(c);
 - ii. the Deposit and all interest accrued thereon shall be returned to the Purchaser forthwith; and
 - iii. the Purchaser shall return to the Receiver all documents, work papers and other material of the Receiver and the Debtor, as the case may be, relating to the Transaction, whether obtained before or after the execution hereof.

- (c) In consideration for, among other things, the Purchaser's expenditure of time and money in acting as the Stalking Horse Bid and the preparation and negotiation of this Agreement and subject to the terms and condition of this Agreement and of the Sale Procedure Order, upon termination of this Agreement by the Receiver for any reason whatsoever (except any termination pursuant to Subsection 9.1(e)) or the closing of a sale and a transfer of the Subject Assets to a Person other than the Purchaser (an "**Alternative Transaction**"), the Receiver shall pay to the Purchaser the amount of \$187,500 (the "**Expense Reimbursement and Break Fee**") as a break fee and in order to reimburse the Purchaser for the Purchaser's expenses in connection with the Transaction, provided that the Receiver's obligation to make such payment is conditional upon an Alternative Transaction being completed, whereupon the Vendor hereby irrevocably authorizes and directs the Vendor's Solicitor to make the Expense Reimbursement and Break Fee payable to the Purchaser from the proceeds of the Alternative Transaction, subject only to Court approval, pursuant to Section 9.2(d).
- (d) Payment of the Expense Reimbursement and Break Fee shall be made by the Vendor's Solicitors upon Court approval of said payment after consummation of the Alternative Transaction. Upon payment of the Expense Reimbursement and Break Fee to the Purchaser, the Parties shall have no further obligations under this Agreement.

ARTICLE 10 GENERAL

10.1 Gender and Number

Words importing the singular include the plural and vice versa. Words importing gender include all genders.

10.2 Captions and Table of Contents

The captions, headings and table of contents contained herein are for reference only and in no way affect this Agreement or its interpretation.

10.3 Obligations as Covenants

Each agreement and obligation of any of the Parties in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

10.4 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

10.5 Currency

All reference to currency in this Agreement shall be deemed to be reference to Canadian dollars.

10.6 Invalidity

If any immaterial covenant, obligation, agreement or part thereof or the application thereof to any Person or circumstance, to any extent, shall be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any Person, party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

10.7 Amendment of Agreement

Except as expressly provided otherwise in this Agreement, no supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the Parties in the same manner as the execution of this Agreement.

10.8 Time of the Essence

Time shall be of the essence of this Agreement.

10.9 Further Assurances

Each of the Parties shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

10.10 Entire Agreement

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the Parties constitute the entire agreement between the Parties pertaining to the agreement of purchase and sale provided for herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, and there are no other warranties or representations and no other agreements between the Parties in connection with the agreement of purchase and sale provided for herein except as specifically set forth in this Agreement or the Schedules attached hereto.

10.11 Waiver

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.

10.12 Solicitors as Agents and Tender

Any Notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement (including, without limitation, any agreement to amend this Agreement) may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor and

any tender of Closing Documents may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

10.13 Merger

Except as otherwise expressly set out herein, this Agreement shall merge with the Closing of the Transaction contemplated herein.

10.14 Successors and Assigns

All of the covenants and agreements in this Agreement shall be binding upon the Parties and their respective successors and permitted assigns and shall ensure to the benefit of and be enforceable by the Parties and their respective successors and their permitted assigns pursuant to the terms and conditions of this Agreement.

10.15 Access of Receiver to Books and Records

The Vendor shall, for a period of six (6) years from the completion of the Transaction, have access to the Books and Records relating to the Business and the Subject Assets which are transferred and conveyed to the Purchaser pursuant to this Agreement, and the right to copy such material at its own cost, to the extent necessary or useful in connection with the completion of the administration of the Receivership Proceeding.

10.16 Tax Matters

The Purchaser and the Vendor agree to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Subject Assets as is reasonably necessary for the preparation and filing of any tax return, claim for refund or other required or optional filings relating to tax matters, for the preparation for and proof of facts during any tax audit, for the preparation for any tax protest, for the prosecution of any suit or other proceedings relating to tax matters and for the answer to any governmental or regulatory inquiry relating to tax matters.

10.17 Assignment

Provided the Purchaser shall always remain liable under this Agreement to close the transaction, the Purchaser shall have the right to assign this Agreement to any Ontario company(ies), partnership, or joint venture that in each case is an affiliate (as defined in the *Business Corporations Act* (Ontario)) of the Purchaser, which assignee shall assume all of the obligations of the Purchaser created or imposed by this Agreement. The Purchaser shall deliver to the Vendor's Solicitors an executed copy of any such assignment at least seven (7) Business Days prior to the date of the Vesting Order Motion and shall advise the Vendor's Solicitors of the name or names of the solicitors acting for the assignee. Notwithstanding any other term or provision contained herein or elsewhere, the Purchaser shall be entitled to separately assign this Agreement in relation to the parcel that comprises the Property (or to direct title), at least seven (7) Business Days prior to the date of the Vesting Order Motion, to any entity or person affiliated with or related to the Purchaser or any of its principals without the prior written consent of the Vendor. Such assignment shall only be effective provided that concurrently with any such assignment, the assignee shall covenant and agree in writing with the Vendor to perform all obligations and covenants of the

Purchaser under this Agreement. No assignment of this Agreement in relation to the Property or any part thereof shall release the Purchaser from liability for its covenants, liabilities or obligations hereunder. The Vendor acknowledges that the Purchaser may establish a partnership for the completion of this transaction that is comprised of certain principals of the Purchaser.

10.18 Notice

Any notice, demand, approval, consent, information, agreement, offer, request or other communication (a “**Notice**”) to be given under or in connection with this Agreement shall be in writing and shall be given by email as set out below or to such other address or electronic number as may from time to time be the subject of a Notice:

- (a) Vendor: ROSEN GOLDBERG INC..
5255 Yonge Street, Suite 804
Toronto, Ontario M2N 6P4
- Attention: Brahm Rosen
Email: brosen@rosengoldberg.com

with a copy to the Vendor’s Solicitors:

Gowling WLG (Canada) LLP
1 First Canadian Place, Suite 1600
100 King Street West
Toronto, Ontario M5X 1G5

Attention: Asim Iqbal; Kate Yurkovich
Email: Asim.iqbal@gowlingwlg.com;
kate.yurkovich@gowlingwlg.com

- (b) Purchaser: KCAP HOLDINGS CORPORATON
in trust for a company to be incorporated
Attention: Jose Picao
Email: joepicao@gmail.com

with a copy to the Purchaser’s Solicitors:

Page Martin LLP
150 York Street, Suite 801
Toronto, Ontario M5H 3S5
Attention: Ken Page
Email: kenpage@pagemartin.com

Any Notice, if sent by email prior to 5:00 p.m. (Toronto time), shall be deemed to have been validly and effectively given and received on the Business Day it was sent, unless the confirmation of

transmission was after 5:00 p.m. (Toronto time), in which case it shall be deemed to have been received on the next following Business Day.

10.19 Effect of Termination of Agreement

Notwithstanding the termination of this Agreement for any reason, the confidentiality provisions contained in Section 2.5, the Expense Reimbursement and Break Fee provisions contained in Section 9.2 and all other provisions that state they survive termination shall survive termination and shall remain in full force and effect.

10.20 Planning Act of Ontario

This Agreement and the transactions reflected herein are subject to compliance with the *Planning Act* (Ontario).

10.21 No Registration of Agreement

The Purchaser acknowledges that this Agreement confers a personal right only and not any interest in the Property and that the registration against title of any notice or caution or other reference to this Agreement or the Purchaser's alleged interest in the Property is likely to cause inconvenience and prejudice or irreparable harm to the Vendor. If any such registration occurs, the Vendor may terminate this Agreement forthwith and take full forfeiture of the Purchaser's Deposit as liquidated damages and not as a penalty. Further, the Purchaser hereby irrevocably consents to a court order removing such registration and agrees to pay all Vendor's costs and expenses in obtaining such court order including, but not limited to, fees of its solicitors on a full indemnity basis together with any applicable taxes thereon and which until paid shall bear interest at the rate of twenty (20%) percent per annum. Additionally, the Purchaser hereby irrevocably nominates, constitutes and appoints the Vendor or any of its authorized signing officers to be and act as his lawful attorney in the Purchaser's name, place and stead, without liability or claim, for the purpose of removing any such registration from title.

10.22 Announcements

Except as otherwise required by Applicable Laws or a Governmental Authority, or as may be required in connection with the Receivership Proceeding or Sale Procedure, no press release or public announcement with respect to this Agreement or the Transaction may be made except with the prior written consent and joint approval of the Vendor and the Purchaser. Where the public disclosure is required by Applicable Laws, a Governmental Authority or in connection with the Receivership Proceeding, the Party required to make the public disclosure will use its reasonable commercial efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure.

10.23 Commissions

The Purchaser is solely responsible to pay all other fees and/or commissions claimed and/or otherwise owing to any other Person with whom the Purchaser had any communications and/or dealings in respect of the Subject Assets (other than consultation with the listing agent, Lennard Commercial Realty) and if any such fees and/or commissions shall be payable to a real estate agent

or broker other than Lennard Commercial Realty it shall be the sole responsibility of the Purchaser. This Section shall survive and not merge on Closing.

10.24 Risk

The Subject Assets shall be and remain at the risk of the Debtor and/or the Vendor until Closing. From and after Closing, the Subject Assets shall be at the risk of the Purchaser. In the event that the Subject Assets shall be damaged prior to Closing, then the Vendor shall advise the Purchaser in writing within twenty-four (24) hours of the Vendor learning of same. In the event that the Subject Assets shall be materially damaged prior to Closing then the Vendor shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement by notice, in writing, to the Purchaser and in such event the Parties hereto shall be released from all obligations and liabilities hereunder. If the Vendor shall not elect to terminate this Agreement as set out above, then the Transaction shall be completed in accordance with the terms and conditions hereof and the Purchaser shall be entitled to all proceeds of insurance payable in respect thereof, if any.

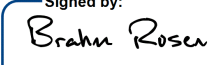
10.25 Counterparts; Electronic Transmission

This Agreement may be executed in any number of counterparts, all of which taken together shall be deemed to constitute one and the same instrument. The Parties agree that this Agreement may be transmitted by telecopier or electronic transmission via email and that the reproduction of signatures by way of telecopier or electronic transmission via email will be treated as though such reproduction were executed originals and each Party, if required by the other Party, undertakes to provide the other with a copy of this Agreement bearing original signatures within a reasonable time after the date of execution.

[Signature page follows]

IN WITNESS WHEREOF the Vendor and Purchaser have executed this Agreement as of the Acceptance Date.

ROSEN GOLDBERG INC., solely in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of **WASAGA HEIGHTS INC.** and not in its personal capacity and without personal or corporate liability

By:  Signed by:
57406384FE6E4B2...
Name: Brahm Rosen
Title: President

By: _____
Name:
Title:

I/We have authority to bind the corporation

KCAP HOLDINGS CORPORATON in trust for a company to be incorporated

By:  Signed by:
C52D4DB8073E42B...
Name: Jose Picao
Title: President

I have authority to bind the corporation

SCHEDULE A

PROPERTY

ADDRESS 123 45th Street S., Wasaga, Ontario

PIN 58316-0770 (LT)

DESCRIPTION PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 1 ON REFERENCE PLAN 51R-44317; TOGETHER WITH AN EASEMENT OVER PART 3 ON REFERENCE PLAN 51R-44317 IN FAVOUR OF PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 3 ON REFERENCE PLAN 51R-30556 AS IN INSTRUMENT NO. SC413852; TOGETHER WITH AN EASEMENT OVER PART 2 ON REFERENCE PLAN 51R-44317 IN FAVOUR OF PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 3 ON REFERENCE PLAN 51R-30556 AS IN INSTRUMENT NO. SC621188, COUNTY OF SIMCOE; SUBJECT TO AN EASEMENT AS IN SC2037532; TOWN OF WASAGA BEACH

SCHEDULE B

PERMITTED ENCUMBRANCES

GENERAL ENCUMBRANCES

1. The exceptions and qualifications contained in Section 44(1) of the *Land Titles Act*, R.S.O. 1990, and any amendments thereto or any successor legislation, except paragraph 11;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. As of the date of this Agreement, any registered easements or rights of way in favour of any governmental authority or public utility provided same are in good standing and that none of the foregoing materially impair the current use of the Property;
4. Any unregistered hydro easements provided same are in good standing and that none of the foregoing materially impair the current use of the Property;
5. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due;
6. Any registered agreements, for utilities and services for hydro, water, heat, power, sewer, drainage, cable and telephone serving the Property, adjacent or neighbouring properties, provided none of the foregoing materially impair the current use of the Property and same are in good standing;
7. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property provided that in either case same do not materially adversely impair the use, operation, or marketability of the Property;
8. Any registered subdivision agreements, site plan agreements, developments and any other agreements with the Municipality, Region, publicly regulated utilities or other governmental authorities having jurisdiction provided that same are in good standing;
9. Minor title defects, if any, that do not in the aggregate materially affect the use of the Property for the purposes for which it is used on the date of acceptance of this Agreement.

SPECIFIC ENCUMBRANCES

Instrument No.	Registration Date	Description	Amount	From	To	Remarks
RO303583	1969/07/11	BYLAW				Sketch Attached
SC311361	2005/03/08	NOTICE	\$2	LOBLAW PROPERTIES LIMITED		Section 71/ Form 16
SC331161	2005/05/24	NOTICE		THE CORPORATION OF THE TOWN	LOBLAW PROPERTIES LIMITED	Affects Secondly

				OF WASAGA BEACH		
SC559134	2007/07/05	APL ANNEX REST COV		TY CORP INVESTMENTS INC.		Affects Secondly
SC1418282	2017/06/08	TRANSFER	\$4,400,000	TY CORP INVESTMENTS INC.	WASAGA HEIGHTS INC.	Planning Act Statements
SC1761174	2021/03/09	NOTICE		CANADIAN TIRE PROPERTIES INC.		SC311361
51R44317	2023/10/24	PLAN REFERENCE				
SC2016670	2023/10/24	APL ABSOLUTE TITLE		WASAGA HEIGHTS INC.	WASAGA HEIGHTS INC.	SC1998279
SC2037532	2024/02/07	TRANSFER EASEMENT	\$2	WASAGA HEIGHTS INC	ENBRIDGE GAS INC.	
SC2076426	2024/08/15	NOTICE	\$2	THE CORPORATION OF THE TOWN OF WASAGA BEACH	WASAGA HEIGHTS INC.	

SCHEDULE C
SALE PROCEDURE

Attached.

SALE PROCEDURE

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 11, 2025 (the “**Appointment Order**”), Rosen Golderg Inc. (the “**Receiver**”) was appointed receiver and manager, without security, of all of the assets, undertakings and properties of Wasaga Heights Inc. (the “**Debtor**”), including without limitation the lands and premises municipally referred to as 123 45th Street S., Wasaga, Ontario (the “**Property**”).
2. On January 14, 2026, the Court made an order (the “**Sale Procedure Order**”), among other things: (i) authorizing the Receiver to enter into an agreement of purchase and sale made as of December 19, 2025, as amended by an amending agreement made as of January ___, 2026 (as may be further amended, restated, supplemented or otherwise modified from time to time, the “**Stalking Horse Agreement**”) between the Receiver and KCAP HOLDINGS CORPORATON in trust for a company to be incorporated (the “**Stalking Horse Bidder**”) pursuant to which the Stalking Horse Bidder has agreed to purchase the Subject Assets (as defined in the Stalking Horse Agreement) so as to set a minimum floor price in respect of the Receiver’s sale procedure; and (ii) authorizing the Receiver to implement a sale procedure in accordance with the terms hereof (the “**Sale Procedure**”).
3. This Sale Procedure sets out the manner in which: (a) binding bids (the “**Bids**” and each a “**Bid**”) for executable transaction alternatives that are superior to the sale transaction contemplated by the Stalking Horse Agreement involving the Subject Assets of the Debtor will be solicited from interested parties (each a “**Bidder**”); (b) any such Bids received will be addressed; (c) any Successful Bid (as defined in Schedule B) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. The Sale Procedure Order approves the retention of Lennard Commercial Realty (the “**Broker**”) to as real estate broker and listing agent for the Property, and the entry into a retention agreement with the Broker by the Receiver, among other things.
5. This Sale Procedure shall be conducted by the Broker in cooperation with the Receiver and the Receiver shall be entitled to receive all information in relation to the Sale Procedure.
6. Parties who wish to have their Bid considered must participate in this Sale Procedure as conducted by the Broker and Receiver.
7. This Sale Procedure will be conducted such that the Receiver, in consultation and cooperation with the Broker, will:
 - i. Disseminate marketing materials and a process letter to potentially interested parties identified by the Broker and/or Receiver;
 - ii. Solicit interest from parties with a view to such interested parties entering into nondisclosure agreements in form and substance satisfactory to the Receiver in its sole discretion (each a “**NDA**”) (other than the Stalking Horse Bidder, parties shall only obtain access to the data room and be permitted to participate in this

Sale Procedure if they execute an NDA and agree to the additional measures that are required by the Receiver to protect competitively sensitive information);

- iii. Provide applicable parties with access to a data room containing due diligence information; and
 - iv. Request that such parties (other than the Stalking Horse Bidder) submit a binding offer meeting at least the requirements set forth in Section 9 below, as determined by the Receiver (a “**Qualified Bid**”), by the Qualified Bid Deadline (as defined below).
8. This Sale Procedure shall be conducted subject to the terms hereof the and the following key milestones:
- a) *The Broker and Receiver shall commence the solicitation process:* as soon as practicable following the granting of the Sale Procedure Order;
 - b) *Deadline to submit a Qualified Bid:* 5:00 p.m. Eastern Time on the date that is thirty (30) calendar days following the granting of the Sale Procedure Order (the “**Qualified Bid Deadline**”);
 - c) *Receiver to determine whether a bid is a Qualified Bid, and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below):* 5:00 p.m. Eastern Time on the date that is thirty-two (32) calendar days following the granting of the Sale Procedure Order;
 - d) *Receiver to hold an Auction (if applicable):* within two (2) business days of the Receiver determining whether the Auction will take place;
 - e) *Receiver to bring a motion for the Approval and Vesting Order (as defined below) (the “Vesting Order Motion”):* Receiver shall serve its materials in support of the Vesting Order Motion by no later than fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid;
 - f) *Closing of the Successful Bid:* as soon as reasonably practicable after the granting of the Approval and Vesting Order and, in any event, no later than May 29, 2026 (the “**Outside Date**”).
9. In order to constitute a Qualified Bid, a Bid must comply with the following:
- a) It provides consideration that, in the sole opinion of the Receiver, is superior to the consideration provided for in the Stalking Horse Agreement, which for greater certainty includes the amount of at least the purchase price set out in the Stalking Horse Agreement (\$7,150,000), plus the Expense Reimbursement and Break Fee (as defined in the Stalking Horse Agreement, (\$187,500)), plus a minimum amount of \$50,000 (the “**Consideration Value**”);
 - b) It provides for the closing of the transaction contemplated thereunder by no later than the Outside Date;
 - c) It contains:

- i. The legal name and identity (including jurisdiction of existence) and contact information of the Bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equity holder(s) and/or sponsors;
 - ii. A purchase agreement, substantially in the form of the Stalking Horse Agreement, duly executed and binding on the Bidder;
 - iii. A redline comparison of the purchase agreement to the Stalking Horse Agreement;
 - iv. Evidence of authorization and approval from the Bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s) in form and substance reasonably satisfactory to the Receiver;
 - v. Disclosure of any connections or agreements with the Debtor or any of its affiliates, any known, potential, prospective Bidder, or any officer, manager, director, member or known equity security holder of the Debtor or any of its affiliates; and
 - vi. Such other information as may be reasonably requested by the Receiver;
- d) It is irrevocable until closing of the Successful Bid; provided, that if such Bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such Bid, the "**Back-up Bid**") it shall only remain irrevocable until the selection of the Successful Bid;
- e) It provides that the Bid will serve as the Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of: (i) closing of the Successful Bid, or (ii) closing of the Back-Up Bid;
- f) It provides written evidence of a Bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the Bidder in connection with the Successful Bid;
- g) It does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- h) It is not conditional upon:
- i. Approval from the Bidder's board of directors (or comparable governing body) or, if applicable, equityholder(s);
 - ii. The outcome of any due diligence by the Bidder; or
 - iii. The Bidder obtaining financing;
- i) It includes an acknowledgement and representation that the Bidder:

- i. Has had an opportunity to conduct any and all required due diligence prior to making its Bid, and has relied solely upon its own independent review, investigation and inspection in making its Bid;
 - ii. Is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and its employees, officers, directors, agents, advisors and other representatives, regarding the proposed transaction, this Sale Procedure, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents;
 - iii. Is making its Bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of its employees, officers, directors, agents, advisors and other representatives;
 - iv. Is bound by this Sale Procedure and the Sale Procedure Order; and
 - v. Is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with this Sale Procedure or its Bid;
 - j) It specified any regulatory or other third-party approvals the bidder anticipates would be required to complete the proposed transaction (including the anticipated timing necessary to obtain such approvals);
 - k) It is accompanied by a cash deposit (the “**Deposit**”) by wire transfer of immediately available funds equal to ten percent (10%) of the Consideration Value, which Deposit shall be retained by the Receiver in a non-interest bearing trust account in accordance with the terms hereof;
 - l) It includes a statement that the Bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
 - m) It is received by the Broker, with a copy to the Receiver and its counsel, by the Qualified Bid Deadline at the email addresses specified on Schedule A hereto.
10. The Qualified Bid Deadline may be extended by the Receiver, in consultation with AFC Mortgage Administration Inc. (“**AFC**”), or by further order of the Court.
 11. The Receiver may, in in consultation with AFC, waive compliance with any one or more of the requirements specified in Section 9 above and deem a non-compliant Bid to be a Qualified Bid.
 12. Notwithstanding the requirements specified in Section 9 above, the transaction contemplated by the Stalking Horse Agreement (the “**Stalking Horse Bid**”), is deemed to be a Qualified Bid.

13. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the successful bid(s) (the “**Auction**”), which Auction shall be administered in accordance with Schedule B hereto. The successful bid(s) selected within the Auction shall constitute the “**Successful Bid**”. Forthwith upon determining to proceed with an Auction, the Receiver shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Purchaser) in accordance with the terms herein, along with copies of all Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the leading Bid.
14. If, by the Qualified Bid Deadline, no Qualified Bid (other than the Stalking Horse Bid) has been received by the Receiver, then the Stalking Horse Bid shall be deemed the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Agreement.
15. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 8. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Receiver, the Receiver shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the Receiver to complete the transactions contemplated thereby, as applicable, and authorizing the Receiver to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the transaction(s) contemplated by such Successful Bid (each, an “**Approval and Vesting Order**”). If the Successful Bid is not consummated in accordance with its terms, the Receiver shall be authorized, but not required, to elect that the Back-up Bid (if any) is the Successful Bid.
16. If a Successful Bid is selected and an Approval and Vesting Order authorizing the consummation of the transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Bid will be returned, without interest thereon, to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to the Approval and Vesting Order or such earlier date as may be determined by the Receiver; provided, however, that the Deposit in respect of the Back-Up Bid shall not be returned to the applicable bidder until the closing of the Successful Bid.
17. The Receiver shall be permitted, in its discretion, to provide general updates and information in respect of this Sale Procedure to any creditor (each a “**Creditor**”) on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Creditor that it will not submit any Bid in this Sale Procedure; and (b) such Creditor executing a confidentiality agreement with the Receiver, in form and substance satisfactory to the Receiver.

18. Any amendments to this Sale Procedure may only be made by the Receiver exercising its discretion in accordance with the terms of this Sale Procedure, or by further order of the Court.

SCHEDULE “A” – EMAIL ADDRESSES FOR DELIVERY OF BIDS

To the Broker:

Peter Deguerre, Lennard Commercial Realty

pdeguerre@lennard.com

To the Receiver:

Brahm Rosen, Rosen Goldberg Inc.

brosen@rosengoldberg.com

With a copy to the Receiver’s counsel:

Asim Iqbal and Kate Yurkovich, Gowling WLG (Canada) LLP

Asim.iqbal@gowlingwlg.com

Kate.yurkovich@gowlingwlg.com

SCHEDULE “B” – AUCTION PROCEDURES

1. *Auction:* If the Receiver receives at least one Qualified Bid (other than the Stalking Horse Bid), the Receiver will conduct and administer the Auction in accordance with the terms of the Sale Procedure. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.
2. *Participation:* Only parties that provided a Qualified Bid by the Qualified Bid Deadline, including the Stalking Horse Bid (collectively, the “**Qualified Parties**” and each a “**Qualified Party**”), shall be eligible to participate in the Auction. No later than 5:00pm Eastern Time two days prior to the Auction, the Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) to all parties that have made a Qualified Bid. No later than 5:00 p.m. Eastern Time on the day prior to the Auction, each Qualified Party (other than the Stalking Horse Purchaser) must inform the Receiver whether it intends to participate in the Auction (“**Auction Bidders**”). The Receiver will promptly thereafter inform in writing each Auction Bidder who has expressed its intent to participate in the Auction of the identity of all other Auction Bidders that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid shall be the Successful Bid.
3. *Auction Procedures:* The Auction shall be governed by the following procedures:
 - a) *Attendance.* Only the Receiver, the Auction Bidders, and each of their respective advisors will be entitled to attend the Auction, and only the Auction Bidders will be entitled to make any subsequent Overbids (as defined below) at the Auction;
 - b) *Minimum Overbid.* The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Receiver (the “**Initial Bid**”), and any bid made at the Auction by an Auction Bidder subsequent to the Receiver’s announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of \$50,000;
 - c) *Bidding Disclosure.* The Auction shall be conducted such that all Bids will be made and received in one group video-conference, on an open basis, and all Auction Bidders will be entitled to be present for all bidding with the understanding that the true identity of each Auction Bidder will be fully disclosed to all other Auction Bidders and that all material terms of each subsequent Bid will be fully disclosed to all other Auction Bidder throughout the entire Auction; provided, however, that the Receiver, in its discretion, may establish separate video conference rooms to permit interim discussions between the Receiver and individual Auction Bidders with the understanding that all formal Bids will be delivered in one group video conference, on an open basis; to the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting an Overbid must submit, at the Receiver’s discretion written evidence demonstrating such Auction Bidder's ability to close the transaction proposed by the Overbid.
 - d) *Bidding Conclusion.* The Auction shall continue in one or more rounds and will conclude after each participating Auction Bidder has had the opportunity to submit

one or more additional Bids with full knowledge and written confirmation of the then-existing highest Bid(s); and

- e) *No Post-Auction Bids.* No Bids will be considered for any purpose after the Auction has concluded.
 - f) *Auction Cancellation/Postponement.* The Receiver reserves the right to cancel or postpone the Auction.
 - g) *Additional Rules.* Except as otherwise set forth herein, the Receiver may establish additional rules for conducting the Auction, provided that such rules are: (a) disclosed to each participating Auction Bidder; (b) designed, in the Receiver's business judgment, to result in the highest and otherwise best offer; and (c) not contrary to any material term set out herein.
4. *Selection.* Before the conclusion of the Auction, the Receiver, will: (a) review each Qualified Bid, considering the factors set out in Section 8 of the Sale Procedure and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in (i) above; (iii) the likelihood of the Qualified Party's ability to close a transaction by the Outside Date and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Qualified Bid, and (v) any other factors the Receiver may, consistent with its fiduciary duties, reasonably deem relevant; and (b) identify the highest or otherwise best Bid received at the Auction (the "**Successful Bid**" and the Qualified Party making such bid, the "**Successful Party**").
5. *Acknowledgement.* The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within five (5) business days of the Successful Bid being selected as such, unless extended by the Receiver, subject to the milestones set forth in Section 8 of the Sale Procedure.

APPENDIX “8”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

AFC MORTGAGE ADMINISTRATION INC.

Applicant

and

WASAGA HEIGHTS INC. and SOHAIL SIDDIQUI

Respondents

AFFIDAVIT

I, Adit Kumar, of the Town of Oakville, in the Regional Municipality of Halton, MAKE
OATH AND SAY:

1. I am an Officer of AFC Mortgage Administration Inc. (“**AFC**”), the Applicant in this proceeding. I dealt with Wasaga Heights Inc. (“**Borrower**”) and Sohail Siddiqui (“**Guarantor**”) (collectively Borrower and Guarantor referred as to as the “**Debtors**”) in negotiating and providing a Mortgage (as defined below). I have personal knowledge of the matters to which I hereinafter depose. Where this affidavit is based on information received from others, I have stated the source of that information and verily believe that information to be true.

2. I am making this affidavit in support of an application by AFC for the appointment of Brham Rosen of Rosen Goldberg Inc. (“**Rosen**” or “**Receiver**”) as Receiver/Manager of all assets, undertakings and properties of the Debtors.

Overview

3. AFC advanced a loan to the Debtors pursuant to loan agreements and in consideration of which the Debtors granted a first mortgage which was registered as Instrument No. SC1933143 (“**Mortgage**”) as security over the lands and premises legally described in Schedule A to the Notice of Application but for ease of reference is attached hereto and marked as **Exhibit “A”** to this my affidavit (“**Wasaga Heights Property**”).
4. Attached hereto and marked as **Exhibit "B"** to this my affidavit is a true copy of the mortgage registered in favour of AFC registered as Instrument No. SC1933143 on September 27, 2022 (“**Mortgage**”).
5. The Wasaga Heights Property consists of approximately 15.4 acres of vacant land wherein the Borrower was pursuing a Subdivision Agreement between the Town of Wasaga Beach and the Borrower for the creation of a mixed use development consisting of *inter alia*, 102 townhouse condominium units, and an approximately 116,250 square foot commercial development block.
6. The Debtors repayment obligations under the loan agreements and Mortgage have matured. The Debtors failed to repay the amounts due and owing and the Debtors are in default.

7. The total amount due and owing as of June 4, 2025 is \$6,180,651.93 (the “**Indebtedness**”) with a per diem interest thereafter of \$3,121.06. Attached hereto and marked as **Exhibit "C"** to this my affidavit is a true copy of the Lender Payoff Statement as of June 4, 2025.
8. The loan documents expressly contemplate the appointment of a Receiver in the event of a default.

The Parties

9. AFC is a privately held corporation incorporated pursuant to the laws of the Province of Ontario operating as a private lender throughout the greater Toronto area and was at all material times a lender to the Debtors pursuant to the loan secured by real property.
10. The Borrower is a privately held corporation incorporated pursuant to the laws of the Province of Ontario and is the registered owner of the Wasaga Heights Property. Attached hereto and marked as **Exhibit "D"** to this my affidavit is a true copy of the Corporate Profile Report for the Borrower which lists the Guarantor as the sole officer and director.
11. The Borrower is the registered beneficial owner of the Wasaga Heights Property. Attached hereto and marked as **Exhibit "E"** to this my affidavit is a true copy of the Parcel Abstract bearing PIN 58316-0770 (LT).
12. There was already an existing mortgage in the amount of \$300,000.00 in favour of 2251055 Ontario Inc. which was registered as Instrument No. SC1517147 on June 13,

2018 together with assignment in favour of 2251055 Ontario Inc. registered as Instrument No. SC1517148 also on June 13, 2018.

(Hereinafter collectively referred to as the “**225 Security**”).

13. The 225 Security was postponed with the postponement registered as Instrument No. SC1933145 thereby placing the Mortgage in first position.

AFC Mortgage

14. A review of the Parcel Abstract of the Wasaga Heights Property confirms that AFC has a first position to the Mortgage.
15. The terms of the Loan were set out in a Commitment Letter dated September 23, 2022. Attached hereto and marked as **Exhibit "F"** to this my affidavit is a true copy of the Commitment Letter (“**Commitment Letter**”).
16. As indicated above, on September 27, 2022, a first charge was registered as Instrument No. SC1933143 for the principal amount of \$3,640,000.00 (“**Mortgage**”). The Mortgage sets out, *inter alia*:
 - (a) The interest rate is the greater of 8.75% and TD Prime plus 6.3%;
 - (b) The principal amount being \$3,640,000.00;
 - (c) The various fees and charges to be levied in the “event of a default”;
 - (d) The maturity date by which all amounts due and owing under the Mortgage are to be paid, being October 1, 2024 (“**Maturity Date**”).

17. At the request of the Debtors, the principal amount of the Mortgage was increased to \$4,475,000.00. Attached hereto and marked as **Exhibit "G"** to this my affidavit is a true copy of the Second Commitment Letter dated August 15, 2023 ("**Second Commitment Letter**").

18. The increase in the principal amount was set out in a Notice which was registered on title as Instrument No. SC2008063 ("**Notice**"). Attached hereto and marked as **Exhibit "H"** to this my affidavit is a true copy of the Notice.

(Hereinafter the Commitment Letter, the Second Commitment Letter, Mortgage and Notice collectively referred to as the "**Security Documents**").

19. The Debtors were unable to make payment of the total amounts due and owing under the Security Documents on or before the Maturity Date.

20. The parties negotiated and entered into a Forbearance Agreement wherein *inter alia*, the Debtors:
 - (a) Acknowledged the default in failing to make payment on or before the Maturity Date;
 - (b) Acknowledged the amounts due and owing under the Mortgage as of the Maturity Date;
 - (c) Confirmed and acknowledged that the Debtors were "*indebted to the Lender for payment in full of all of the Debt, without defence, counterclaim, offset, crossclaim, claim or demand of any kind or nature whatsoever*"

- (d) That the Forbearance Agreement was being entered into for the benefit of the Borrower and the Guarantor;
- (e) That the Debtors on their own behalf, and on “*behalf of their respective successors, and assigns, hereby release, waive and forever discharge the Lender, and all of its officers, directors, employees, solicitors, investors and agents from any and all actions, cause of action, debts, dues, claims, demands, liabilities and obligations of every kind and nature, both in law and equity, known or unknown, whether matured or unmatured, absolute or contingent arising from the date of the [Mortgage] through the date hereof with respect to this Forbearance Agreement, including but not limited to an action for improvident sale of the Property.*”
- (f) The Forbearance Period would expire on February 1, 2025 (“**Second Maturity Date**”);
- (g) That they would make payment of *inter alia*, a Forbearance Fee of \$89,500.00, a Broker Fee (payable to Ambrose Financial Corporation), Servicing Fees, Forbearance Legal Fees and three months interest payment pursuant to Schedule A, Section 23 of the Commitment Letter, and other such fees and charges.

 (“**Forbearance Agreement**”)

21. Attached hereto and marked as **Exhibit “I”** is a true copy of the said Forbearance Agreement.

22. The Debtors could not make payment on or before the expiry of the Second Maturity Date.
23. The parties negotiated and entered into an amendment letter dated February 2, 2025 (“**Amendment Letter**”) whereby *inter alia*, the Second Maturity Date was extended from February 1, 2025 to May 1, 2025 (“**Third Maturity Date**”), with additional conditions which included fees to be paid by Debtors. Attached hereto and marked as **Exhibit “J”** is a true copy of the Amendment Letter.
24. The Debtors could not make payment on or before May 1, 2025 and as such, the parties negotiated an entered into a Second Amendment Letter extending the Third Maturity Date to May 20, 2025 (“**Fourth Maturity Date**”). Attached hereto and marked as **Exhibit “K”** is a true copy of the Second Amendment Letter.
25. The parties also negotiated and agreed to additional fees and terms as it relates to the further extended forbearance period.
26. The Debtors failed and/or refused to make payment on or before the Fourth Maturity Date.
27. A Notice of Default was sent by registered mail on or about June 10, 2025. Attached hereto and marked as **Exhibit "L"** to this my affidavit is a true copy of the Notice of Default. Attached hereto and marked as **Exhibit "M"** to this my affidavit is a true copy of the Registered Mail receipts.
28. I have been advised by my counsel, Jonathan Kulathungam, and do verily believe that Mr. Siddiqui did call him on or about June 15, 2025 and again on July 2, 2024, advising

that he was attempting to obtain refinancing. As of the date of the signing of this affidavit, nothing has been produced by the Respondents ending any possibility of refinancing. No response was received and as such, a Section 244 Notice to Enforce was on June 13, 2025. Attached hereto and marked as **Exhibit "N"** to this my affidavit is a true copy of the said Section 244 Notice. Attached hereto and marked as **Exhibit "O"** to this my affidavit is a true copy of the Registered Mail receipts.

Appointment of the Receiver is Just and Convenient

29. The appointment of the proposed Receiver over the assets, undertakings and the Properties of the Debtors is just and convenient in the circumstances of this case for the following reasons:
- (a) The Debtors have failed to cure their financial defaults;
 - (b) Notwithstanding the issuance of Section 244 BIA Notice, the Debtors have failed to repay the loan obligations;
 - (c) The statutory notice periods under the BIA have long expired;
 - (d) The Mortgage and the related loan documents contain contractual entitlements permitting the appointment of the Receiver upon default;
 - (e) AFC has lost in faith in all of the Debtors' ability to manage and develop the Property;
 - (f) The Debtors have failed to provide any meaningful proposal for repayment of the loan obligation that would be acceptable to AFC;

(g) The court appointed Receiver will ensure that all interest of all stakeholders are considered and facilitate a fair and transparent marketing sales process maximizing recover for the disposition of the Debtors' assets;

30. AFC proposes that Brahm Rosen be appointed Receiver/Manager over the Debtors. Brahm Rosen is a licensed Trustee in Bankruptcy and familiar with the Debtors arrangements with AFC.


31. Rosen has consented to act as a court appointed receiver with respect to Debtors. A copy of the executed consent to act as Receiver/Manager is attached to this Application Record as Exhibit "P".

Notice

32. This Application has been brought on notice to the service list included within the Application Record and further notice shall be given to other stakeholders, if any, through the Receiver once appointed.

33. I swear this affidavit for the within motion and for no wrongful or improper purpose.

SWORN by Adit Kumar of the City of Mississauga, in the Regional Municipality of Peel, before me at the City of Toronto, in the Province of Ontario, on July 4, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

JONATHAN KULATHUNGAM



ADIT KUMAR

APPENDIX “9”

LAND
REGISTRY
OFFICE #51

58316-0770 (LT)

PAGE 1 OF 2
PREPARED FOR RKing000
ON 2025/12/22 AT 12:57:37

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 1 ON REFERENCE PLAN 51R-44317; TOGETHER WITH AN EASEMENT OVER PART 3 ON REFERENCE PLAN 51R-44317 IN FAVOUR OF PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 3 ON REFERENCE PLAN 51R-30556 AS IN INSTRUMENT NO. SC413852; TOGETHER WITH AN EASEMENT OVER PART 2 ON REFERENCE PLAN 51R-44317 IN FAVOUR OF PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 3 ON REFERENCE PLAN 51R-30556 AS IN INSTRUMENT NO. SC621188, COUNTY OF SIMCOE; SUBJECT TO AN EASEMENT AS IN SC2037532; TOWN OF WASAGA BEACH

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2023/10/24.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
RE-ENTRY FROM 58316-0769

PIN CREATION DATE:
2023/10/24

OWNERS' NAMES
WASAGA HEIGHTS INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2023/10/24 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
RO303583	1969/07/11	BYLAW				C
REMARKS: SKETCH ATTACHED						
SC311361	2005/03/08	NOTICE	\$2	LOBLAW PROPERTIES LIMITED		C
REMARKS: SECTION 71/FORM 16						
SC331161	2005/05/24	NOTICE		THE CORPORATION OF THE TOWN OF WASAGA BEACH	LOBLAW PROPERTIES LIMITED	C
REMARKS: AFFECTS SECONDLY						
SC559134	2007/07/05	APL ANNEX REST COV		TY CORP INVESTMENTS INC.		C
REMARKS: AFFECTS SECONDLY						
SC1418282	2017/06/08	TRANSFER	\$4,400,000	TY CORP INVESTMENTS INC.	WASAGA HEIGHTS INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1517147	2018/06/13	CHARGE	\$300,000	WASAGA HEIGHTS INC.	2251055 ONTARIO INC.	C
SC1517148	2018/06/13	NO ASSGN RENT GEN		WASAGA HEIGHTS INC.	2251055 ONTARIO INC.	C
REMARKS: SC1517147						
SC1755591	2021/02/18	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** 2251055 ONTARIO INC.	AFC MORTGAGE ADMINISTRATION INC.	
REMARKS: RE SC1662787 SC1754311 DELETED BY A HURTUBISE 2024 07 19						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
SC1761174	2021/03/09	NOTICE <i>REMARKS: SC311361</i>		CANADIAN TIRE PROPERTIES INC.		C
SC1933143	2022/09/27	CHARGE	\$3,640,000	WASAGA HEIGHTS INC.	AFC MORTGAGE ADMINISTRATION INC.	C
SC1933144	2022/09/27	NO ASSGN RENT GEN <i>REMARKS: SC1933143</i>		WASAGA HEIGHTS INC.	AFC MORTGAGE ADMINISTRATION INC.	C
SC1933145	2022/09/27	POSTPONEMENT <i>REMARKS: SC1517147 TO SC1933143</i>		2251055 ONTARIO INC.	AFC MORTGAGE ADMINISTRATION INC.	C
SC2008063	2023/09/14	NOTICE <i>REMARKS: SC1933143</i>		WASAGA HEIGHTS INC.	AFC MORTGAGE ADMINISTRATION INC.	C
SC2008064	2023/09/14	POSTPONEMENT <i>REMARKS: SC1517147 TO SC2008063</i>		2251055 ONTARIO INC.	AFC MORTGAGE ADMINISTRATION INC.	C
51R44317	2023/10/24	PLAN REFERENCE				C
SC2016670	2023/10/24	APL ABSOLUTE TITLE <i>REMARKS: SC1998279</i>		WASAGA HEIGHTS INC.	WASAGA HEIGHTS INC.	C
SC2037532	2024/02/07	TRANSFER EASEMENT	\$2	WASAGA HEIGHTS INC.	ENBRIDGE GAS INC.	C
SC2076426	2024/08/15	NOTICE	\$2	THE CORPORATION OF THE TOWN OF WASAGA BEACH	WASAGA HEIGHTS INC.	C
SC2076427	2024/08/15	POSTPONEMENT <i>REMARKS: SC1517147, SC1517148, SC1933145 & SC2008064 TO SC2076426</i>		2251055 ONTARIO INC.	THE CORPORATION OF THE TOWN OF WASAGA BEACH	C
SC2076428	2024/08/15	POSTPONEMENT <i>REMARKS: SC1933143, SC1933144, SC1933145, SC2008063 & SC2008064 TO SC2076426</i>		AFC MORTGAGE ADMINISTRATION INC.	THE CORPORATION OF THE TOWN OF WASAGA BEACH	C
SC2156855	2025/09/12	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	ROSEN GOLDBERG INC.	C

APPENDIX “:”

RUN NUMBER : 304
RUN DATE : 2025/10/31
ID : 20251031110710.87

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(7744)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : WASAGA HEIGHTS INC.

FILE CURRENCY : 30OCT 2025

ENQUIRY NUMBER 20251031110710.87 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

GOWLING WLG (CANADA) LLP - TORONTO - MARK EMMANUEL

1 FIRST CANADIAN PLACE
TORONTO ON M5X 1G5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crlf6 05/2022)

CONTINUED... 2

Ontario 

RUN NUMBER : 304
RUN DATE : 2025/10/31
ID : 20251031110710.87

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(7745)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : WASAGA HEIGHTS INC.
FILE CURRENCY : 30OCT 2025

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
769856823

01 CAUTION FILING PAGE NO. OF PAGES TOTAL MOTOR VEHICLE SCHEDULE REGISTRATION NUMBER REGISTERED UNDER PERIOD
001 001 20210212 1121 1862 1191 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME WASAGA HEIGHTS INC. ONTARIO CORPORATION NO. 10225410
04 ADDRESS 2 TELFORD STREET AJAX ON L1T4N4

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME 07NOV1988 SOHAIL SIDDIQUI ONTARIO CORPORATION NO.
07 ADDRESS 2 TELFORD STREET AJAC ON L1T4N4

08 SECURED PARTY / AFC MORTGAGE ADMINISTRATION INC.
09 LIEN CLAIMANT ADDRESS 2010 WINSTON PARK DRIVE, SUITE 200 OAKVILLE ON L6H 6P5

COLLATERAL CLASSIFICATION

10 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
X X X X X X

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL GENERAL SECURITY AGREEMENT, ASSIGNMENTS OF RENTS AND LEASES,
14 COLLATERAL GUARANTEE AND ALL RELATED SECURITY WITH RESPECT TO THE OBLIGATIONS OF
15 DESCRIPTION THE DEBTOR THE SECURED PARTY

16 REGISTERING CYBERBAHN
17 AGENT ADDRESS 4610-199 BAY STREET TORONTO ON M5L 1E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(c)11v 05/2022

Ontario 

RUN NUMBER : 304
RUN DATE : 2025/10/31
ID : 20251031110710.87

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

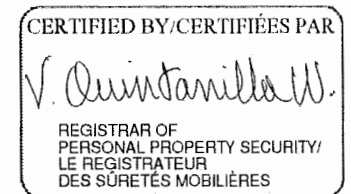
REPORT : PSSR060
PAGE : 3
(7746)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : WASAGA HEIGHTS INC.
FILE CURRENCY : 30OCT 2025

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
769856823	20210212	1121	1862	1191

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



(crf6 05/2022)

APPENDIX “;”



**Stalking Horse Break Fee Analysis
Current as at November 3, 2025**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement*	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	Note
Magnum Worldwide Holdings Inc. and Magnum Nutraceuticals Inc.	1001325230 Ontario Inc.	Receivership	MNP	21-Oct-25	Ontario	Manufacturing	150,000	-	150,000	Credit bid of the \$6.2 million plus a cash payment sufficient to cover professional fees		
2690044 Ontario Inc.	1001180045 Ontario Inc. and Kanterra Science Inc.	Receivership	Crowe Soberman	19-Aug-25	Ontario	Cannabis	200,000	-	-	-	-	
Green World Construction Inc.	Aggregated Investments Inc.	Receivership	KSV	05-Sep-25	Ontario	Real Estate	855,000	-	855,000	34,220,000	2.5	
King David Inc.	Home Trust Company	Receivership	TDB	08-Aug-25	Ontario	Real Estate	-	-	-	-	-	
The Second Cup Coffee Company Inc.	Arbat Capital Group Ltd.	CCAA	Grant Thornton	15-Aug-25	Ontario	Food & Accommodation	150,000	-	150,000	3,000,000-3,500,000	4.3%-5%	
Northern Pulp Nova Scotia Corporation	Macer Forest Holdings Inc.	CCAA	EY	19-Aug-25	Nova Scotia	Agriculture	2,080,000	1,000,000	3,080,000	104,000,000	3	
Bucephalus Stables Corp. o/a Indie Alehouse Brewing Co.	1001279208 Ontario Ltd.	NOI	Fuller Landau	15-Jul-25	Ontario	Food & Accommodation	40,000	-	40,000	-	-	
Hakim Optical	Chiaro Ottico Ltd.	CCAA	KSV	21-Aug-25	Ontario	Retail	600,000	-	600,000	22,000,000	2.7	
Kroeger Inc.	1001166783 Ontario Inc.	NOI	B. Riley Farber	06-Mar-25	Ontario	Distribution	75,000	50,000	125,000	1,600,000	7.8	
Li-Cycle Corp. et al.	Glencore Canada Corporation	CCAA	A&M	14-May-25	Ontario	Cleantech	1,000,000	200,000	1,200,000	40,000,000	3	
Galactic Propeller Holdings Ltd. and Jumbleberry Interactive Group Ltd.	1000739703 Ontario Inc.	NOI	Baigel Corp.	15-May-25	Ontario	Professional Services	23,367	-	23,367	1,168,350	2	
Comark Holdings Inc. et al.	16751598 Canada Inc. (WarehouseOne)	CCAA	A&M	17-Feb-25	Ontario	Retail	-	-	-	-	-	
Mobi724 Global Solutions Inc.	9538-5613 Quebec Inc.	NOI	Richter	01-Jul-25	Quebec	Technology	-	-	-	1.6 million	-	
Freedom Cannabis	2644323 Alberta Ltd. (a subsidiary of JL Legacy)	CCAA	KPMG	19-Apr-25	Alberta	Cannabis	400,000	-	400,000	16.5 million to 20.5 million	1.95-2.42	
Myra Falls Mine Ltd.	Trafigura Holding S.a r.l.	CCAA	FTI	31-Mar-25	British Columbia	Mining	-	500,000	500,000	Outstanding DIP facility plus certain priority payables	Unclear	
Noya Cannabis Inc. and Noya Holdings Inc.	Lending Stream Inc.	CCAA	BDO	11-Nov-24	Ontario	Cannabis	175,000	100,000	275,000	3,850,000	7.14	
Indian Head Consumers Co-operative Society Ltd.	95748 Newfoundland and Labrador Ltd.	NOI	Grant Thornton	01-Sep-24	Newfoundland	Retail	-	50,000	50,000	350,000	14.29	
Motryx Inc.	Aerocom GMBH & Co.	NOI	BDO	13-Dec-24	Nova Scotia	Healthcare	-	35,000	35,000	400,000	8.75	
Wholly Veggies	Windermere Investment Corp.	NOI	PwC	20-Aug-24	Ontario	Food & Accommodation	132,000	25,000	157,000	6,600,000	2.38	
Worldplay Communications Inc. and Worldplay (Canada) Inc.	Todd Grenier, Kevin Reinhart, Joel Van Dusen, Ashley	NOI	EY	31-Jul-24	Alberta	Media	-	-	-	Payment of priority charges plus 200,000	-	

Brands International Corporation	AMG Global Holdings ULC	NOI	KPMG	18-Dec-24	Ontario	Manufacturing	100,000	125,000	225,000	2,250,000	10
Rokstad Holdings Corporation et al.	1501841 B.C. Ltd. and Stellex Power Line Opco LLC	Receivership	FTI	05-Dec-24	British Columbia	Construction	-	-	-	(a) the Credit Bid; plus Unclear - credit bid - secured debt	-
IntelGenx Corp.	Atai Life Sciences	CCAA	EY	25-May-24	Quebec	Healthcare	-	150,000	150,000	-	-
Nevada Copper et al.	Southwest Critical Minerals LLC	Foreign Order Recognition	A&M	09-Aug-24	British Columbia	Mining	-	-	3,840,000	128,000,000	3
2675970 Ontario Inc. et al. (Tokyo Smoke)	TS Investments Corp.	CCAA	A&M	12-Sep-24	Ontario	Cannabis	390,000	-	390,000	77,000,000	1
Long Run Exploration Ltd.	Hiking Group Shandong Jinyue Int'l Trading Corporation	CCAA	FTI	23-Jul-24	Alberta	Oil & Gas	500,000	-	500,000	Unclear	-
Indiva Limited	SNDL Inc.	CCAA	PwC	28-Jun-24	Ontario	Cannabis	-	-	300,000	Unclear	-
Pioneer Balloon Canada Limited	1488108 B.C. Ltd.	NOI	KPMG	20-Jun-24	Ontario	Manufacturing	75,000	25,000	100,000	\$2,300,000 less the "Cure Costs" of any	-
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	23-Jan-24	Ontario	Cannabis	-	-	-	3,700,000	-
Heritage Cannabis Holdings Corp.	BJK Holdings Ltd. and HAB Cann Holdings Ltd.	CCAA	KPMG	10-Apr-24	Ontario	Cannabis	400,000	-	400,000	approximately \$7.7 million to \$11.1	5.19
Canadian Overseas Petroleum Limited	Summit Partners Credit Fund II, L.P., Summit	CCAA	KSV	08-Apr-24	Alberta	Oil & Gas	US\$350,000	reasonable expenses	-	-	-
1000093910 Ontario Inc.	2557904 Ontario Inc.	Receivership	KSV	13-Nov-23	Ontario	Real Estate	200,000	50,000	250,000	24,255,000	1
BZAM Ltd.	1000816625 Ontario Inc.	CCAA	KSV	01-Mar-24	British Columbia	Cannabis	750,000	100,000	850,000	Unclear	3.6-5.2
Athabasca Minerals Inc.	JMAC Energy Services LLC	NOI	KSV	05-Dec-23	Alberta	Distribution	-	200,000	200,000	13,000,000	1.5
Midnight Integrated Financial Inc.	2593054 Alberta Ltd.	CCAA	EY	04-Mar-24	Alberta	Financial Services	-	-	-	11,000,000	-
Garibaldi at Squamish Limited	Aquilini Development LP, Garibaldi	Receivership	EY	13-Mar-24	British Columbia	Other	500,000	-	500,000	approximately \$7.7 million	0.6
Free Rein Resources Limited	Invico Diversified Income Limited Partnership	NOI	FTI	01-Aug-23	Alberta	Oil & Gas	-	-	-	-	-
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	01-Jan-24	Ontario	Cannabis	-	-	-	3,700,000	-
Lighthouse Immersive Inc. and Lighthouse Immersive USA	SCS Finance, Inc.	CCAA	B. Riley Farber	05-Oct-23	Ontario	Other	-	-	-	-	-
Validus Power Corp. et al.	Wacquarie Equipment Finance Limited and Far North Power Corp.	CCAA	KSV	19-Oct-23	Ontario	Professional Services	1,260,000	1,000,000	2,260,000	59,000,000	3.85%
Aleafia Health Inc. et al.	RWB (PV) Canada Inc.	CCAA	KSV	10-Aug-23	Ontario	Cannabis	-	500,000	500,000	25,000,000 - 29,000,000	1.72-2%
NextPoint Financial Inc. et al.	Certain lenders to NextPoint	CCAA	FTI	01-Jul-23	British Columbia	Financial Services	700,000	Reasonable expenses also covered	700,000	175,000,000	0.4
DecisionOne	STC Lender LP	NOI	KPMG	22-May-23	New Brunswick	Technology	-	-	-	US 3,000,000	-
Datatax Business Services Limited	2872802 Ontario Inc.	NOI	KPMG	11-Aug-23	Alberta	Professional Services	400,000	-	400,000	40,700,000	1%
Edward Collins Contracting Ltd.	92712 Newfoundland & Labrador Inc.	CCAA	Grant Thornton	17-May-23	Newfoundland	Construction	144,800	30,000	144,800	7,240,000	2.40%

Digital Orthodontic Care Inc.	Ortho Studios Express, Inc.	Receivership	Richter	10-Aug-23	Ontario	Healthcare	85,000	-	85,000	\$3 million credit bid	2.83%
Pathway Health Corp. (TSV: PHC) and Pathway Health Services Corp.	AvonleaDrewry Holdings Inc.	Interim Receivership	KSV	02-Oct-23	Ontario	Healthcare			62,500	1,250,000	5%
Aereus Technologies Inc.	1000608245 Ontario Inc.	NOI	B. Riley Farber	04-Aug-23	Ontario	Manufacturing	21,600	-	21,600	Credit bid plus assumed liabilities	-
IE CA 3 Holdings Limited	NYDIG ABL LLC	Receivership	PwC	07-Jun-23	British Columbia	Financial Services	USD 630,000	-	USD 630,000	USD 21,000,000	3%
Fire & Flower Inc. et al.	2707031 Ontario Inc. (the DIP lender)	CCAA	FTI	15-Jun-23	Ontario	Cannabis	650,000	100,000	750,000	Credit bid (release of all obligations owing under DIP loan and bridge loan)	3.40%
1194038 Alberta Ltd.	2262576 Alberta Ltd.	Receivership	EY	05-Jun-23	Alberta	Real Estate	125,000		125,000	4,375,000	2.80%
GreenSpace Brands Inc.	2762454 Ontario Inc.	Ontario	PwC	05-Apr-23	Ontario	Food & Accommodation	150,000	-	150,000	~9 million, plus certain assumed liabilities and other amounts	1.70%
FlexITy Solutions Inc. and FlexITy Holdings Inc.	BHG-BC Holdings Ltd	NOI	Farber	29-Mar-23	Ontario	Technology	-	-	-	11.1 million	
LoyaltyOne Co. (dba AIR MILES®)	BMO	CCAA	KSV	10-Mar-23	Ontario	Other	3 million	1 million	4 million	US 160 million	2.50%
11157353 Canada Corporation	ReFlourish Capital Limited	NOI	EY	14-Feb-23	Ontario	Cannabis	20,000	25,000	45,000	400,000 euros	

Tehama Inc.	14667913 Canada Inc.	CCAA	Deloitte	07-Feb-23	Ontario	Technology	-	-	-	2.8 million credit bid, plus assumed liabilities, for total consideration of approximately 3 million		
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Notes

- 1 Purchase price equal to the sum of \$191,000 in cash plus 90% of the inventory value as at the closing date, plus the purchaser's agreement to the AR collection agreement appended to the APA. Estimated TV is reported in Farber's first report.
- 2 Four separate stalking horse agreements were entered into for various of the debtor's business units. The stalking horse bidder in each agreement is a corporation related to the debtor's 95.5% shareholder and most significant secured creditors. The purchase price in each case is in the form of a credit bid or assumption of debt. No break fees are contemplated in any of the stalking horse agreements.
- 3 APA did not split break fee between termination fee and expense reimbursement amounts
- 4 Estimated transaction value consists only of the cash portion of the purchaser's bid.
- 5 Estimated transaction value equal to an amount sufficient to satisfy i) repayment of the amounts secured by the administration charge; ii) repayment of the DIP loan; iii) payment of amounts secured by KERP charge; and iv) funding of a proposal which will provide for payment of, among other things, the outstanding secured debentures and preferred claims.
- 6 Transaction is for assets of both Canadian and US entities.
- * Most stalking horse purchase agreements provide an expense reimbursement for the stalking horse bidder for out-of-pocket reasonable costs and expenses. This is not noted in this tracker. The expense reimbursement column is only filled in if there is a

TAB 3

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

THE HONOURABLE) WEDNESDAY, THE 14TH
)
)
JUSTICE STEELE) DAY OF JANUARY, 2026

B E T W E E N

AFC MORTGAGE ADMINISTRATION INC.

Applicant

-and-

WASAGA HEIGHTS INC., SOHAIL SIDDIQUI

Respondents

**IN THE MATTER OF AN APPLICATION UNDER 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**

**ORDER
(STALKING HORSE SALE PROCEDURE)**

THIS MOTION, made by Rosen Goldberg Inc. in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and property (collectively, the “**Property**”) of Wasaga Heights Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*, (i) approving a sale procedure (the “**Sale Procedure**”), substantially in the form attached as **Schedule “A”** hereto

for the Debtor's Property, including the real property municipally known and legally described in **Schedule "B"** to this Order, and (ii) approving the stalking horse agreement of purchase and sale dated as of December 19, 2025 between the Receiver, as vendor, and KCAP Holdings Corporation, in trust for a company to be incorporated (the "**Stalking Horse Bidder**"), as purchaser, in the form attached as Appendix "5" to the First Report (as defined below) (the "**Stalking Horse APS**"), was heard this day by videoconference.

ON READING the Notice of Motion of the Receiver dated January 5, 2026, the First Report, including the appendices thereto, and on hearing the submissions of counsel for the Receiver and the other parties present as reflected on the participant information form, no one else appearing for any other party although duly served as appears from the affidavit of service of [●] sworn [●], 2026.

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that all terms not otherwise defined herein shall have the meaning ascribed to them in the First Report.

SALE PROCEDURE APPROVAL

3. **THIS COURT ORDERS** that the Sale Procedure set out in Schedule "A" hereto, is approved and the Receiver is authorized and directed to implement the Sale Procedure, including the retention of Lennard Commercial Realty Investment as listing agent, and to perform its

obligations thereunder and to do all things reasonably necessary to perform its obligations thereunder, subject to prior approval of this Court being obtained before the completion of any transaction(s) under the Sale Procedure.

4. **THIS COURT ORDERS** that the Receiver and affiliates, partners, directors, officers, employees, legal advisors, representatives, agents 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 Sale Procedure, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Procedure, as determined by this Court in a final order that is not subject to appeal or other review.

5. **THIS COURT ORDERS** that in conducting the Sale Procedure, the Receiver shall have all the benefits and protections granted to it under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended, the Receivership Order and any other Order of this Court in the within proceedings, and otherwise provided by law.

6. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in connection with the Sale Procedure or the implementation thereof.

STALKING HORSE APS

7. **THIS COURT ORDERS** that the Receiver is authorized and empowered to enter into the Stalking Horse APS with such minor amendments as may be acceptable to each of the parties thereto, and that the Stalking Horse APS is approved solely as the stalking horse bid in the Sale Procedure; provided that nothing herein approves the sale and the vesting of any Property to the

Stalking Horse Bidder pursuant to the Stalking Horse APS, which shall be considered by this Court on a subsequent motion made to this Court.

8. **THIS COURT ORDERS** that the Break Fee (as defined in the First Report) is approved, and the Receiver is authorized and directed to pay the Break Fee to the Stalking Horse Bidder in the manner and circumstances described in the Stalking Horse APS.

PIPEDA

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 and any similar legislation in any other applicable jurisdictions, the Receiver and its advisors are hereby authorized and permitted to disclose and transfer to prospective Sale Procedure participants that are party to a non-disclosure agreement with the Receiver (each, a “**Sale Procedure Participant**”) and their respective advisors personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the Sale Procedure (a “**Transaction**”). Each Sale Procedure Participant 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 for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Receiver, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Receiver. The bidder with a Successful Bid shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Debtor’s business and/or Property acquired pursuant to the Sale Procedure in a manner that 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 and provide confirmation of its destruction if requested by the Receiver.

APPROVAL OF THE FIRST REPORT AND ACTIVITIES

10. **THIS COURT ORDERS** that the First Report and the actions, conduct and activities of the Receiver referred to therein, be and is hereby approved; provided, however, that only Rosen Goldberg Inc., in its capacity as Receiver and in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

11. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, 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, in each case 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.

13. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date it is made without any need for entry and/or filing.

SCHEDULE "A"
SALE PROCEDURE

SALE PROCEDURE

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 11, 2025 (the “**Appointment Order**”), Rosen Golderg Inc. (the “**Receiver**”) was appointed receiver and manager, without security, of all of the assets, undertakings and properties of Wasaga Heights Inc. (the “**Debtor**”), including without limitation the lands and premises municipally referred to as 123 45th Street S., Wasaga, Ontario (the “**Property**”).
2. On January 14, 2026, the Court made an order (the “**Sale Procedure Order**”), among other things: (i) authorizing the Receiver to enter into an agreement of purchase and sale made as of December 19, 2025, (as may be further amended, restated, supplemented or otherwise modified from time to time, the “**Stalking Horse Agreement**”) between the Receiver and KCAP HOLDINGS CORPORATION in trust for a company to be incorporated (the “**Stalking Horse Bidder**”) pursuant to which the Stalking Horse Bidder has agreed to purchase the Subject Assets (as defined in the Stalking Horse Agreement) so as to set a minimum floor price in respect of the Receiver’s sale procedure; and (ii) authorizing the Receiver to implement a sale procedure in accordance with the terms hereof (the “**Sale Procedure**”).
3. This Sale Procedure sets out the manner in which: (a) binding bids (the “**Bids**” and each a “**Bid**”) for executable transaction alternatives that are superior to the sale transaction contemplated by the Stalking Horse Agreement involving the Subject Assets of the Debtor will be solicited from interested parties (each a “**Bidder**”); (b) any such Bids received will be addressed; (c) any Successful Bid (as defined in Schedule B) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. The Receiver has engaged Lennard Commercial Realty Investment (the “**Broker**”) to act as real estate broker and listing agent for the Property.
5. This Sale Procedure shall be conducted by the Broker in cooperation with the Receiver and the Receiver shall be entitled to receive all information in relation to the Sale Procedure.
6. Parties who wish to have their Bid considered must participate in this Sale Procedure as conducted by the Broker and Receiver.
7. This Sale Procedure will be conducted such that the Receiver, in consultation and cooperation with the Broker, will:
 - i. Disseminate marketing materials and a process letter to potentially interested parties identified by the Broker and/or Receiver;
 - ii. Solicit interest from parties with a view to such interested parties entering into nondisclosure agreements in form and substance satisfactory to the Receiver in its sole discretion (each a “**NDA**”) (other than the Stalking Horse Bidder, parties shall only obtain access to the data room and be permitted to participate in this Sale Procedure if they execute an NDA and agree to the additional measures that are required by the Receiver to protect competitively sensitive information);

- iii. Provide applicable parties with access to a data room containing due diligence information; and
 - iv. Request that such parties (other than the Stalking Horse Bidder) submit a binding offer meeting at least the requirements set forth in Section 9 below, as determined by the Receiver (a “**Qualified Bid**”), by the Qualified Bid Deadline (as defined below).
8. This Sale Procedure shall be conducted subject to the terms hereof and the following key milestones:
- a) *The Broker and Receiver shall commence the solicitation process:* as soon as practicable following the granting of the Sale Procedure Order;
 - b) *Deadline to submit a Qualified Bid:* 5:00 p.m. Eastern Time on February 13, 2026 (the “**Qualified Bid Deadline**”);
 - c) *Receiver to determine whether a bid is a Qualified Bid, and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below):* 5:00 p.m. Eastern Time on February 15, 2026;
 - d) *Receiver to hold an Auction (if applicable):* within two (2) business days of the Receiver determining whether the Auction will take place;
 - e) *Receiver to bring a motion for the Approval and Vesting Order (as defined below) (the “**Vesting Order Motion**”):* Receiver shall serve its materials in support of the Vesting Order Motion by no later than fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid;
 - f) *Closing of the Successful Bid:* as soon as reasonably practicable after the granting of the Approval and Vesting Order.
9. In order to constitute a Qualified Bid, a Bid must comply with the following:
- a) It provides consideration that, in the sole opinion of the Receiver, is superior to the consideration provided for in the Stalking Horse Agreement, which for greater certainty includes the amount of at least the purchase price set out in the Stalking Horse Agreement (\$7,150,000), plus the Expense Reimbursement and Break Fee (as defined in the Stalking Horse Agreement, (\$187,500)), plus a minimum amount of \$50,000 (the “**Consideration Value**”);
 - b) It provides for the closing of the transaction contemplated thereunder by no later than the Outside Date;
 - c) It contains:
 - i. The legal name and identity (including jurisdiction of existence) and contact information of the Bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equity holder(s) and/or sponsors;

- ii. A purchase agreement, substantially in the form of the Stalking Horse Agreement, duly executed and binding on the Bidder;
 - iii. A redline comparison of the purchase agreement to the Stalking Horse Agreement;
 - iv. Evidence of authorization and approval from the Bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s) in form and substance reasonably satisfactory to the Receiver;
 - v. Disclosure of any connections or agreements with the Debtor or any of its affiliates, any known, potential, prospective Bidder, or any officer, manager, director, member or known equity security holder of the Debtor or any of its affiliates; and
 - vi. Such other information as may be reasonably requested by the Receiver;
- d) It is irrevocable until closing of the Successful Bid; provided, that if such Bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such Bid, the "**Back-up Bid**") it shall only remain irrevocable until the selection of the Successful Bid;
- e) It provides that the Bid will serve as the Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of: (i) closing of the Successful Bid, or (ii) closing of the Back-Up Bid;
- f) It provides written evidence of a Bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the Bidder in connection with the Successful Bid;
- g) It does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- h) It is not conditional upon:
- i. Approval from the Bidder's board of directors (or comparable governing body) or, if applicable, equityholder(s);
 - ii. The outcome of any due diligence by the Bidder; or
 - iii. The Bidder obtaining financing;
- i) It includes an acknowledgement and representation that the Bidder:
- i. Has had an opportunity to conduct any and all required due diligence prior to making its Bid, and has relied solely upon its own independent review, investigation and inspection in making its Bid;

- ii. Is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and its employees, officers, directors, agents, advisors and other representatives, regarding the proposed transaction, this Sale Procedure, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents;
 - iii. Is making its Bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of its employees, officers, directors, agents, advisors and other representatives;
 - iv. Is bound by this Sale Procedure and the Sale Procedure Order; and
 - v. Is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with this Sale Procedure or its Bid;
- j) It specified any regulatory or other third-party approvals the bidder anticipates would be required to complete the proposed transaction (including the anticipated timing necessary to obtain such approvals);
 - k) It is accompanied by a cash deposit (the “**Deposit**”) by wire transfer of immediately available funds equal to ten percent (10%) of the Consideration Value, which Deposit shall be retained by the Receiver in a non-interest bearing trust account in accordance with the terms hereof;
 - l) It includes a statement that the Bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
 - m) It is received by the Broker, with a copy to the Receiver and its counsel, by the Qualified Bid Deadline at the email addresses specified on Schedule A hereto.
- 10. The Qualified Bid Deadline may be extended by the Receiver, in consultation with AFC Mortgage Administration Inc. (“**AFC**”), or by further order of the Court.
 - 11. The Receiver may, in in consultation with AFC, waive compliance with any one or more of the requirements specified in Section 9 above and deem a non-compliant Bid to be a Qualified Bid.
 - 12. Notwithstanding the requirements specified in Section 9 above, the transaction contemplated by the Stalking Horse Agreement (the “**Stalking Horse Bid**”), is deemed to be a Qualified Bid.
 - 13. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the successful bid(s) (the “**Auction**”), which Auction shall

be administered in accordance with Schedule B hereto. The successful bid(s) selected within the Auction shall constitute the “**Successful Bid**”. Forthwith upon determining to proceed with an Auction, the Receiver shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Bidder) in accordance with the terms herein, along with copies of all Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the leading Bid.

14. If, by the Qualified Bid Deadline, no Qualified Bid (other than the Stalking Horse Bid) has been received by the Receiver, then the Stalking Horse Bid shall be deemed the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Agreement.
15. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 8. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Receiver, the Receiver shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the Receiver to complete the transactions contemplated thereby, as applicable, and authorizing the Receiver to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the transaction(s) contemplated by such Successful Bid (each, an “**Approval and Vesting Order**”). If the Successful Bid is not consummated in accordance with its terms, the Receiver shall be authorized, but not required, to elect that the Back-up Bid (if any) is the Successful Bid.
16. If a Successful Bid is selected and an Approval and Vesting Order authorizing the consummation of the transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Bid will be returned, without interest thereon, to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to the Approval and Vesting Order or such earlier date as may be determined by the Receiver; provided, however, that the Deposit in respect of the Back-Up Bid shall not be returned to the applicable bidder until the closing of the Successful Bid.
17. The Receiver shall be permitted, in its discretion, to provide general updates and information in respect of this Sale Procedure to any creditor (each a “**Creditor**”) on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Creditor that it will not submit any Bid in this Sale Procedure; and (b) such Creditor executing a confidentiality agreement with the Receiver, in form and substance satisfactory to the Receiver.
18. Any amendments to this Sale Procedure may only be made by the Receiver exercising its discretion in accordance with the terms of this Sale Procedure, or by further order of the

Court.

SCHEDULE “A” – EMAIL ADDRESSES FOR DELIVERY OF BIDS

To the Broker:

Peter Deguerre, Lennard Commercial Realty

pdeguerre@lennard.com

To the Receiver:

Brahm Rosen, Rosen Goldberg Inc.

brosen@rosengoldberg.com

With a copy to the Receiver’s counsel:

Asim Iqbal and Kate Yurkovich, Gowling WLG (Canada) LLP

Asim.iqbal@gowlingwlg.com

Kate.yurkovich@gowlingwlg.com

SCHEDULE “B” – AUCTION PROCEDURES

1. ***Auction:*** If the Receiver receives at least one Qualified Bid (other than the Stalking Horse Bid), the Receiver will conduct and administer the Auction in accordance with the terms of the Sale Procedure. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.
2. ***Participation:*** Only parties that provided a Qualified Bid by the Qualified Bid Deadline, including the Stalking Horse Bid (collectively, the “**Qualified Parties**” and each a “**Qualified Party**”), shall be eligible to participate in the Auction. No later than 5:00pm Eastern Time two days prior to the Auction, the Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) to all parties that have made a Qualified Bid. No later than 5:00 p.m. Eastern Time on the day prior to the Auction, each Qualified Party (other than the Stalking Horse Purchaser) must inform the Receiver whether it intends to participate in the Auction (“**Auction Bidders**”). The Receiver will promptly thereafter inform in writing each Auction Bidder who has expressed its intent to participate in the Auction of the identity of all other Auction Bidders that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid shall be the Successful Bid.
3. ***Auction Procedures:*** The Auction shall be governed by the following procedures:
 - a) ***Attendance.*** Only the Receiver, the Auction Bidders, and each of their respective advisors will be entitled to attend the Auction, and only the Auction Bidders will be entitled to make any subsequent Overbids (as defined below) at the Auction;
 - b) ***Minimum Overbid.*** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Receiver (the “**Initial Bid**”), and any bid made at the Auction by an Auction Bidder subsequent to the Receiver’s announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of \$50,000;
 - c) ***Bidding Disclosure.*** The Auction shall be conducted such that all Bids will be made and received in one group video-conference, on an open basis, and all Auction Bidders will be entitled to be present for all bidding with the understanding that the true identity of each Auction Bidder will be fully disclosed to all other Auction Bidders and that all material terms of each subsequent Bid will be fully disclosed to all other Auction Bidder throughout the entire Auction; provided, however, that the Receiver, in its discretion, may establish separate video conference rooms to permit interim discussions between the Receiver and individual Auction Bidders with the understanding that all formal Bids will be delivered in one group video conference, on an open basis; to the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting an Overbid must submit, at the Receiver’s discretion written evidence demonstrating such Auction Bidder's ability to close the transaction proposed by the Overbid.

- d) *Bidding Conclusion.* The Auction shall continue in one or more rounds and will conclude after each participating Auction Bidder has had the opportunity to submit one or more additional Bids with full knowledge and written confirmation of the then-existing highest Bid(s); and
 - e) *No Post-Auction Bids.* No Bids will be considered for any purpose after the Auction has concluded.
 - f) *Auction Cancellation/Postponement.* The Receiver reserves the right to cancel or postpone the Auction.
 - g) *Additional Rules.* Except as otherwise set forth herein, the Receiver may establish additional rules for conducting the Auction, provided that such rules are: (a) disclosed to each participating Auction Bidder; (b) designed, in the Receiver's business judgment, to result in the highest and otherwise best offer; and (c) not contrary to any material term set out herein.
4. *Selection.* Before the conclusion of the Auction, the Receiver, will: (a) review each Qualified Bid, considering the factors set out in Section 8 of the Sale Procedure and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in (i) above; (iii) the likelihood of the Qualified Party's ability to close a transaction and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Qualified Bid, and (v) any other factors the Receiver may, consistent with its fiduciary duties, reasonably deem relevant; and (b) identify the highest or otherwise best Bid received at the Auction (the "**Successful Bid**" and the Qualified Party making such bid, the "**Successful Party**").
5. *Acknowledgement.* The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within five (5) business days of the Successful Bid being selected as such, unless extended by the Receiver, subject to the milestones set forth in Section 8 of the Sale Procedure.

SCHEDULE "B"

REAL PROPERTY DESCRIPTION

ADDRESS	123 45th Street S., Wasaga, Ontario
PIN	58316-0770 (LT)
DESCRIPTION	PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 1 ON REFERENCE PLAN 51R-44317; TOGETHER WITH AN EASEMENT OVER PART 3 ON REFERENCE PLAN 51R-44317 IN FAVOUR OF PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 3 ON REFERENCE PLAN 51R-30556 AS IN INSTRUMENT NO. SC413852; TOGETHER WITH AN EASEMENT OVER PART 2 ON REFERENCE PLAN 51R-44317 IN FAVOUR OF PART OF LOT 1, CONCESSION 15, DESIGNATED AS PART 3 ON REFERENCE PLAN 51R-30556 AS IN INSTRUMENT NO. SC621188, COUNTY OF SIMCOE; SUBJECT TO AN EASEMENT AS IN SC2037532; TOWN OF WASAGA BEACH

AFC MORTGAGE ADMINISTRATION INC.

-AND- WASAGA HEIGHTS INC., SOHAIL SIDDIQUI

Applicant

Respondents

APPLICATION UNDER 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

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

Proceeding commenced at Toronto

**ORDER
(STALKING HORSE SALE PROCEDURE)**

GOWLING WLG (CANADA) LLP

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1 First Canadian Place
100 King Street West, Suite 1600
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Lawyers for the Receiver

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Applicant

-AND- WASAGA HEIGHTS INC., SOHAIL SIDDIQUI

Respondents

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

Proceeding commenced at Toronto

**MOTION RECORD
(MOTION RETURNABLE JANUARY 14, 2026)**

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