

Court File No. CV-25-00743765-00CL

**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**

HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.

Applicant

- and -

TERESA GRECO, MARIO GRECO AND LISA VOLPE

Respondents

**MOTION RECORD
(returnable February 3, 2026)**

January 21, 2026

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TO: THE SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
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TAB 1

**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**

HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.

Applicant

- and -

TERESA GRECO, MARIO GRECO AND LISA VOLPE

Respondents

**NOTICE OF MOTION
(RETURNABLE FEBRUARY 3, 2026)**

ZEIFMAN PARTNERS INC. (“**Zeifmans**”), in its capacity as Court-appointed receiver (in such capacity, the “**Receiver**”) of certain real property owned either individually by, or jointly among, the Respondents will bring a motion to a Judge presiding over the Commercial List on February 3, 2026, at 11:00 a.m. or as soon after that time as the motion can be heard at the Courthouse located at 330 University Avenue, Toronto, Ontario by way of videoconference.

PROPOSED METHOD OF HEARING:

The motion is to be heard by video conference, the details of which will be provided by the Court and circulated to the Service List prior to the Motion.

THE MOTION IS FOR:

1. An Order substantially in the form of order attached at Tab 3 to the Motion Record of the Receiver dated January 21, 2026 (the “**Motion Record**”) that, among other things (the “**Approval and Vesting Order**”):
 - (a) approves the Agreement of Purchase and Sale between the Receiver, as vendor, and City Park Homes (Stouffville) Inc. as purchaser (the “**Purchaser**”) dated December 10, 2025 (as amended, the “**Sale Agreement**”) and authorizes the Receiver to complete the transaction contemplated therein (the “**Transaction**”);
 - (b) vests the Respondents’ right, title and interest in the Purchased Assets (as defined in the Sale Agreement) in and to the Purchaser free and clear of all encumbrances, except for permitted encumbrances; and
 - (c) authorizes and directs the Receiver to make a distribution from the proceeds of the Transaction to Hillmount Capital Mortgage Holdings Inc. (“**Hillmount**”) as a permanent and indefeasible repayment of the indebtedness and obligations owing by the Respondents to Hillmount secured by the Mortgage (as defined below) (the “**Distribution**”).

2. An Order substantially in the form of order attached at Tab 5 to the Motion Record that, among other things (the “**Discharge Order**”):
 - (a) approves the First Report of the Receiver dated January 21, 2026 (the “**First Report**”) and the activities and conduct described therein;
 - (b) approves the Receiver’s interim statement of receipts and disbursements for the period from July 23, 2025 to December 31, 2025;
 - (c) approves the fees and disbursements of the Receiver and its counsel as well as the estimated costs to complete the Remaining Matters of the Receiver and its counsel;
 - (d) seals the Confidential Appendices to the First Report until the closing of the Transaction or further order of the Court;
 - (e) authorizes the Receiver to distribute any remaining funds to Hillmount, if any, up to the amount of the indebtedness secured by the Mortgage;
 - (f) discharges Zeifmans as Receiver upon the filing of a certificate by the Receiver certifying that it has completed the Remaining Matters; and
 - (g) releases Zeifmans from any and all liability arising out of its acts or omissions while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct.
3. Granting such further and other relief as to this Honourable Court may seem just.

4. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Report.

THE GROUNDS FOR THE MOTION ARE:

Background

5. On July 23, 2025, pursuant to an order (the “**Appointment Order**”) of the Court, the Receiver was appointed as receiver and manager, without security, of the Real Property of the Debtors together with all personal property of the Debtors located at, on, used in connection with, relating to or derived from the Real Property (collectively, the “**Property**”).
6. The Debtors are the owners of the Property and each hold interests in the Property, either individually or jointly in various combinations. The Real Property has not been developed and is vacant land, subject to a few vacant structures located on the Real Property.
7. Pursuant to a commitment letter between the Respondents and Hillmount dated April 13, 2021 and subsequent amending agreements, Hillmount provided a secured mortgage loan to the Debtors in the principal amount of \$11.8 million (the “**Loan**”).
8. The Loan is secured by, among other things, first-ranking mortgages registered on title to the Real Property (collectively, the “**Mortgage**”) and a general security agreement in favour of Hillmount granted by the Debtors.
9. The Respondents were in default of their obligations under the Loan and Hillmount accordingly brought an application for the appointment of the Receiver.

Marketing and Sale of the Real Property

10. Pursuant to the Appointment Order, the Receiver is authorized to, among other things, market the Property for sale, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate. The Receiver is also authorized to apply for any vesting order necessary to convey the Property.
11. Following the Receiver's appointment, the Receiver obtained an appraisal from Cornwall Property Consultants Ltd.
12. Given CBRE's extensive involvement with the Property prior to the Receiver's appointment and the familiarity it had established in respect of the Property, including an existing data site, the Receiver requested a listing proposal from CBRE and engaged CBRE to list the Property for sale on August 11, 2025.
13. After discussions with CBRE, the Receiver set a deadline for submission of letters of intent of September 15, 2025. CBRE advised the Receiver that it believed this would provide sufficient time to appropriately canvas the market.
14. CBRE officially launched their marketing campaign on August 12, 2025, which included listings on major platforms, targeted outreach and promotional materials.
15. The Receiver provided CBRE with a template form of sale agreement to be used, which was uploaded to the online data room maintained by CBRE, to facilitate purchaser due diligence. The Receiver also provided a form of confidentiality agreement for interested

parties to execute, in order to be given access to a virtual data room and perform due diligence (the “**Confidentiality Agreement**”).

16. Among other things, CBRE undertook the following marketing activities:
 - (a) prepared a detailed marketing package outlining the Property and highlighting the desirable features of the Property;
 - (b) delivered physical copies of the marketing package to CBRE’s distribution list of approximately 1,000 parties;
 - (c) delivered e-mails to CBRE’s distribution list of almost 2,500 parties, consisting of industry professionals including developers, investors and real estate agents;
 - (d) had phone calls with at least 52 separate parties regarding the opportunity;
 - (e) published the listing on CBRE’s public facing website on August 12, 2025;
 - (f) posted the listing on CBRE’s LinkedIn page;
 - (g) installed signage on the Property advising of the sale; and
 - (h) published advertisements in industry newsletters regarding the Property.

17. As a result of these marketing efforts, CBRE received 31 signed Confidentiality Agreements by prospective purchasers or brokers, all of whom were given access to the data room.

18. Initially, CBRE received eight letters of intent with a significant range in value. CBRE invited all of the parties to resubmit their final and best offer.
19. The Receiver approached the party with the highest offer with a view to negotiate on the basis of the Receiver's form of agreement of purchase and sale, but that party withdrew from the process.
20. The Receiver then engaged the second highest offer, which included a significant vendor take back first mortgage and purported to be unconditional. However, the offer included an unusually low deposit. After consultation with Hillmount, the Receiver pursued further negotiations with this purchaser and requested, among other things, an increased deposit with the offer.
21. While the purchaser verbally agreed to increase its deposit to the amount requested by the Receiver, it ultimately failed to provide the deposit and sign the agreement, notwithstanding an extensive time frame provided. While the purchaser verbally agreed to meet the Receiver's conditions for acceptance, despite repeated requests and follow-ups from CBRE, the purchaser did not sign an offer reflecting that agreement. The Receiver negotiated with this purchaser for an approximate 30-day period.
22. As a result of the experience with this purchaser, both the Receiver and CBRE had lost confidence with this purchaser and determined it could not be relied on. The Receiver subsequently approached all of the remaining parties with a view to negotiate increased offers.

23. On October 22, 2025, the Receiver entered into an agreement with a third purchaser with a 45-day conditional period.
24. This purchaser ultimately did not waive the condition period.
25. On December 3, 2025, CPH Development Projects Inc. (“CPH”) made an offer to the Receiver to purchase the Property. The offer initially had an acceptance deadline of December 9, 2025. The Receiver was able to negotiate with CPH to extend the deadline to December 11, 2025.
26. In the interim, the Receiver continued to receive interest on a conditional offer to purchase (still with a very low deposit) from the earlier prospective purchaser who the Receiver and CBRE had lost confidence in. However, given the Receiver’s and CBRE’s earlier experience with this prospective purchaser and the unusually low deposit, the Receiver and CBRE both concluded that it was not worth pursuing. Further, the Receiver advised this prospective purchaser that a materially higher deposit would be required for the Receiver to consider the offer, which the prospective purchaser refused to provide.
27. The Receiver and CBRE were both concerned that if the Receiver did not enter into an agreement with CPH by the December 11th deadline, that CPH would no longer be interested in the sale.
28. Accordingly, the Receiver entered into the Sale Agreement with CPH on December 10, 2025, which had a 30-day conditional period.
29. During CPH’s due diligence, CPH determined that additional archaeology work which had been previously recommended and approved by the Ministry of Heritage had not been

undertaken. CPH provided the Receiver a quotation with respect to the cost of such excavation. The Receiver received its own estimate for such work which was generally consistent with the quote provided by CPH.

30. Accordingly, CPH requested a reduction in the purchase price of approximately 1.9%, which the Receiver agreed to. CPH agreed to waive the due diligence condition and assign the agreement to the Purchaser pursuant to an Assignment and Amending Agreement dated January 9, 2026 (the “**Amending Agreement**”).

The Sale Agreement

31. The key terms of the Sale Agreement include:
- (a) the “Purchased Assets” include the Real Property and other documents and property relating to the Real Property;
 - (b) the Purchaser was required to provide a deposit two (2) business days following the execution of the Sale Agreement, which was received by the Receiver;
 - (c) the Sale Agreement is conditional on Court approval and the issuance of the Approval and Vesting Order;
 - (d) there are no conditions to closing other than the issuance of the Approval and Vesting Order;
 - (e) the Purchaser is buying the Real Property on an “as is, where is” basis; and

- (f) closing of the Transaction is scheduled to occur within the later of fifteen (15) days after the waiver of the due diligence condition or three (3) business days following the date the Approval and Vesting Order is granted.

Approval and Vesting Order

- 32. The Receiver requests the Court grant the Approval and Vesting Order. The Receiver recommends the approval of the Transaction because:
 - (a) the marketing process undertaken by CBRE and the Receiver was robust and allowed for sufficient market exposure for the Real Property;
 - (b) there was significant interest generated in the Real Property as a result of the marketing efforts;
 - (c) the purchase price is in excess of the appraised value;
 - (d) the Receiver made a sufficient effort to get the best price, the purchase price of the Transaction is reasonable in the circumstances and, while a higher offer was received, both the Receiver and CBRE did not have any confidence in the ability of that prospective purchaser to conclude a transaction and identified deficiencies in the offer, including a very low deposit; and
 - (e) the first mortgagee is supportive of the Transaction.
- 33. Pursuant to the Approval and Vesting Order, the Receiver proposes to make the Distribution to Hillmount as repayment of the indebtedness secured by the Mortgage.

34. The Receiver has obtained an independent legal opinion from Loopstra Nixon LLP (“**Loopstra**”) opining that, subject to the usual assumptions and qualifications, Hillmount’s mortgages constitute valid and enforceable first-ranking charges against the Real Property.
35. The amount owing to Hillmount in respect of the Mortgage is \$12,644,955.71 as of January 31, 2026, with a per diem of \$3,977.03 thereafter.
36. The Receiver also intends to repay \$200,000 plus interest thereon to the date of payment borrowed from Hillmount under the Receiver’s Borrowings Charge from the proceeds of the Transaction.
37. The Receiver does not expect there to be any surplus proceeds following repayment to Hillmount.

Approval of Activities and Fees

38. The First Report sets out the activities the Receiver has undertaken to date and includes the Receiver’s interim statement of receipts and disbursements for the period from July 23, 2025 to December 31, 2025 (the “**Interim R&Ds**”). The Receiver seeks approval of the First Report and the activities described therein as well as the Interim R&Ds as part of the Discharge Order.
39. The Receiver also seeks approval of the fees and disbursements of the Receiver and its legal counsel, TGF, Foglers and Loopstra as well as their estimated costs to complete these receivership proceedings. The Receiver, TGF, Foglers and Loopstra have each maintained detailed records of their professional time and costs since the date of the Receivership Order.

40. The total fees and disbursements of the Receiver during the period from May 2, 2025 to December 31, 2025 are \$80,110.00 plus disbursements of \$381.44 plus HST of \$10,463.89 totalling \$90,955.33. The Receiver also estimates fees of \$25,000 before disbursements and applicable taxes to complete these proceedings.
41. The total fees and disbursements of the Receiver's insolvency counsel, TGF, during the period from July 23, 2025 to January 18, 2026 are \$18,245 in respect of fees plus disbursements of \$547.36 and HST of \$2,443.03, for a total of \$21,235.36. TGF also estimates fees of \$25,000 before disbursements and applicable taxes to complete these proceedings.
42. The total fees and disbursements of the Receiver's real estate counsel, Foglers, during the period from July 17, 2025 to January 19, 2026 are \$29,967.40 in respect of fees plus disbursements of \$213.65 and HST of \$3,914.31, for a total of \$34,095.36. Foglers also estimates fees of \$25,000 plus disbursements of \$250.00 and HST of \$3,282.50 for a total of \$28,532.50 to complete these proceedings.
43. The total fees and disbursements of the Receiver's independent counsel, Loopstra, during the period from January 8, 2026 to January 20, 2026 are \$10,000 in respect of fees plus disbursements of \$339.60 and HST of \$1,344.15 for a total of \$11,683.75.
44. The Receiver is of the view that its fees and disbursements, as well as those of its legal counsel, are reasonable.

45. If any amounts remain in the estate following payment of the fees of the Receiver and its counsel, the Receiver recommends such amounts be paid to Hillmount up to the amount of the Indebtedness secured by the Mortgage.

Sealing of Confidential Appendices

46. The Receiver requests that the Court seal the Confidential Appendices to the First Report, being the summary of offers relating to the Real Property and unredacted copies of the Sale Agreement and Amending Agreement.
47. The disclosure in the public record of the offer summary and an unredacted copy of the Sale Agreement (which discloses the purchase price and deposit amount) would be prejudicial to, among other things, the integrity of the sale process and any additional marketing efforts that may be needed for the Real Property if the Transaction for the Real Property fails to close for any reason.
48. The sealing order sought is limited in time and will automatically expire upon the closing of the Transaction contemplated in the Sale Agreement or further order of the Court. This will ensure that all offers and the purchase price provided in the Sale Agreement remain confidential until all sale efforts are completed. This is necessary and sufficient to reasonably protect the legitimate stakeholders interests in the circumstances.

Discharge of the Receiver

49. Upon completing the Remaining Matters, the Receiver will have completed the administration of these proceedings, will have realized on the Property and completed its statutory duties as well as the duties set out in the Appointment Order and all subsequent

Orders of the Court. Accordingly, it is appropriate to seek an order of the Court discharging and releasing the Receiver upon the filing of the discharge certificate with the Court certifying that all Remaining Matters have been completed.

Other Grounds for Relief:

1. Sections 100, 101 and 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.
2. Rules 1.04, 1.05, 2.03, 3.02, 16, and 37, 38, 39 of the *Rules of Civil Procedure (Ontario)*, R.R.O. 1990, Reg. 194.
3. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. First Report of the Receiver dated January 21, 2026.
2. Such further and other evidence as counsel may advise and this Honourable Court may permit.

January 21, 2026

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Zeifman Partners Inc.

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

**HILLMOUNT CAPITAL MORTGAGE
HOLDINGS INC.**

- and -

**TERESA GRECO, MARIO GRECO AND LISA
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Court File No. CV-25-00743765-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceedings commenced at Toronto, Ontario

NOTICE OF MOTION

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TAB 2

Court File No. CV-25-00743765-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.

Applicant

and

TERESA GRECO, MARIO GRECO AND LISA VOLPE

Respondents

**FIRST REPORT TO THE COURT
OF ZEIFMAN PARTNERS INC., AS RECEIVER**

January 21, 2026

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APPENDIX “1”: Appointment Order

APPENDIX “2”: Endorsement of Justice Steele dated June 24, 2025

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CONFIDENTIAL APPENDIX “3”: Summary of Offers prepared by CBRE (unredacted)

INTRODUCTION

1. This is the first report (the “**First Report**”) filed by Zeifman Partners Inc. (“**Zeifmans**”) in its capacity as Receiver and Manager (the “**Receiver**”) over the following real property, owned either individually by, or jointly among, Teresa Greco, Mario Greco and Lisa Volpe (collectively, the “**Debtors**”):
 - (a) the real property municipally known as 12371 Highway 48, Stouffville, Ontario (“**12371 Property**”);
 - (b) the real property municipally known as 5270 Main Street, Stouffville, Ontario (“**5270 Main**”);
 - (c) the real property municipally known as 5318 Main Street, Stouffville, Ontario, comprised of two separate PINs (“**5318 Main**”);
 - (d) the real property municipally known as 5286 Main Street, Stouffville, Ontario (“**5286 Main**”); and
 - (e) the real property municipally known as 5262 Main Street, Stouffville, Ontario (“**5262 Main**”, and together with 5270 Main, 5318 Main, and 5286 Main, the “**Main Properties**”, and collectively with the 12371 Property, the “**Real Property**”),

together with all personal property of the Debtors located at, on, used in connection with, relating to or derived from the Real Property (collectively, the “**Property**”).

2. Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 23, 2025 (the “**Appointment Order**”), Zeifmans was appointed Receiver. A copy of the Appointment Order is attached as **Appendix “1”**.

3. The First Report includes appendices which contain commercially sensitive information as generally described below. The Receiver will be seeking a sealing order in respect of these confidential appendices (the “**Confidential Appendices**”) and will provide the Court with copies of the Confidential Appendices separately.
4. The Appointment Order, together with other relevant Court documents related to the receivership proceeding, has been posted on the Receiver’s website, at <https://www.zeifmans.ca/current-insolvency-files/hillmount-capital-mortgage-holdings-inc-v-teresa-greco-et-al/>.

PURPOSE OF THE REPORT

5. The purpose of the First Report is to:
 - (a) provide the Court with an overview of the Receiver’s activities since the Receiver was appointed;
 - (b) report to the Court on the results of the Receiver’s sale process (the “**Sale Process**”) and activities leading to offers for the Property;
 - (c) recommend that the Court issue an Order (the “**Approval and Vesting Order**”) approving the sale transaction (the “**Transaction**”) contemplated by an Agreement of Purchase and Sale dated December 10, 2025 (as amended, the “**Sale Agreement**”) entered into between the Receiver and CPH Development Projects Inc. (“**CPH**”), which agreement was amended by the Receiver and CPH and assigned by CPH to City Park Homes (Stouffville) Inc. (the “**Purchaser**”) pursuant to an Assignment and Amending Agreement dated January 9, 2026 (the “**Amending Agreement**”), among other things, vesting in the Purchaser all right, title and interest in and to the Property which is the subject of the Sale Transaction and authorizing a distribution from the proceeds of the Transaction to the Applicant; and

- (d) recommend that the Court issue an Order (the “**Discharge Order**”) among other things:
- i. approving the First Report and the activities and conduct of the Receiver as set out in the First Report;
 - ii. approving the fees and disbursements of the Receiver and its counsel as well as the estimated costs to complete the Remaining Matters (as defined below) of the Receiver and its counsel;
 - iii. approving the Receiver’s Interim Statement of Receipts and Disbursements for the period between July 23, 2025 to December 31, 2025;
 - iv. sealing the Confidential Appendices;
 - v. authorizing the Receiver to distribute any remaining funds to the Applicant, if any, up to the amount of the indebtedness secured by the Applicant’s mortgages on the Real Property;
 - vi. discharging Zeifmans as Receiver upon the filing of a certificate by the Receiver certifying that it has completed the Remaining Matters; and
 - vii. releasing Zeifmans from any and all liability arising out of its acts or omissions while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct.

TERMS OF REFERENCE

6. In preparing the First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the “**Information**”). Certain of the information contained in the First Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not

audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

BACKGROUND

8. The owners of the Property are three individuals: Teresa Greco, Mario Greco and Lisa Volpe.
9. The Debtors each hold interests in certain of the Property, either individually or jointly in various combinations.
10. The Property consists of a vacant barn, a vacant historical home, and two other homes that are vacant and in poor condition, with three additional structures situated on the 12371 Property, including a residence in poor condition and a former general store which had limited renovations thereto.
11. The Property is located in the town of Whitchurch-Stouffville (“**Stouffville**”) which is part of the Regional Municipality of York.
12. The land assembly approximates 17.70 acres and has been subject to a wide variety of residential development proposals and/or concept plans during the last decade. The development received approval for multiple high-rise buildings, but as a result of a deteriorating real estate market and an even greater downturn in the condominium market the development approval of the Property was no longer economically desirable. In addition, Stouffville required an access road to the site from Highway 48 adding significant cost to any development of the Property.
13. Plans were prepared for a low-rise structure including townhouses but had not proceeded to development approval at the time of the Appointment Order.

14. The Debtors had in the past listed the Property on MLS and received several offers. However, the offers were unacceptable to the Debtors and prospective purchasers did not proceed further. As a result of economic conditions in recent years, the market value of the Real Property declined.
15. The Applicant in this matter, Hillmount Capital Mortgage Holdings Inc. (“**Hillmount**” or the “**Applicant**”) is the mortgagee of the Real Property. Pursuant to a commitment letter between the Debtors and Hillmount dated April 13, 2021 and subsequent amending agreements, Hillmount provided a secured mortgage loan to the Debtors in the principal amount of \$11.8 million (the “**Loan**”).
16. The Loan is secured by, among other things, first-ranking mortgages on title to the Real Property and a general security agreement in favour of Hillmount granted by the Debtors. The Loan matured on November 15, 2024.
17. As of May 21, 2025, the Debtors were indebted to Hillmount in the amount of \$12,229,315.92, plus accrued interest, legal fees and other expenses associated with protection, enforcement of its rights and sale of the Property (collectively, the “**Indebtedness**”).
18. With the Loan in default, Hillmount sought the appointment of a Receiver.
19. The receivership application was initially scheduled to be heard on June 24, 2025, however the Court adjourned the hearing to July 23, 2025 to allow the Debtors the opportunity to attempt to close a conditional agreement of purchase and sale they had entered into in respect of the Real Property. A copy of Justice Steele’s endorsement is attached hereto as **Appendix “2”**.
20. The Debtors were unable to proceed with the conditional agreement and the Court granted the Appointment Order on July 23, 2025. A copy of Justice Steele’s endorsement in connection with the Appointment Order is attached hereto as **Appendix “3”**.

ACTIVITIES OF THE RECEIVER

Taking Possession of the Property

21. Following the Appointment Order being granted and upon taking possession of the Property, the Receiver undertook efforts to engage with the representatives of the Debtors for the purpose of obtaining information relevant to the Real Property.
22. The Receiver also undertook the following conservatory and protective measures:
 - (a) arranged for insurance coverage;
 - (b) secured the Property by adding chain link barriers and secured the homes located on the Property by changing the locks and boarding access points as necessary;
 - (c) arranged to disconnect utilities and safeguard open electrical wires where possible; and
 - (d) arranged for grass cutting and other minor property care.
23. The Receiver determined that substantially all of the real estate records were on a data site maintained by CBRE Limited (“**CBRE**”), who had previously been retained to sell the Property. Additional records were obtained from the Debtors.

Other Activities

24. Other activities performed by the Receiver since the issuance of the Appointment Order include, among other things:
 - (a) arranging for a copy of the Appointment Order to be registered against title to the Real Property;
 - (b) maintaining regular communication with Hillmount and providing periodic updates regarding the Real Property and the receivership proceedings;
 - (c) responding to inquiries from stakeholders, including the Debtors; and

- (d) preparing and issuing the required statutory notices pursuant to section 245(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”).

The Marketing and Sale Process

- 25. One of the Receiver’s first steps upon appointment was to obtain an appraisal in respect of the Property. The Receiver obtained an appraisal from Cornwall Property Consultants Ltd. on August 14, 2025.
- 26. The Receiver determined that given CBRE’s extensive involvement with the Property prior to the Receiver’s appointment and the familiarity it had established in respect of the Property, as well as its data site including marketing materials and a significant amount of information relating to the development process (including third party reports), it would be most efficient to enter into a listing agreement with CBRE.
- 27. The Receiver requested a proposal from CBRE and, after further discussion and consultation with Hillmount in its capacity as the first mortgagee, engaged CBRE to list the Property for sale on August 11, 2025.
- 28. The Property was listed on MLS at an unpublished price.
- 29. A brochure and other marketing materials were approved for distribution on August 12, 2025.
- 30. After discussions with CBRE, the Receiver set a deadline for submission of letters of intent of September 15, 2025. CBRE advised the Receiver that it believed this would provide sufficient time to appropriately canvass the market.
- 31. The Receiver provided CBRE with a template form of agreement of purchase and sale to be used, which was uploaded to the online data room maintained by CBRE, to facilitate purchaser due diligence.
- 32. A summary of marketing activities undertaken by CBRE is set out below:

- (a) prepared a detailed marketing package outlining the Property and highlighting the desirable features of the Property;
 - (b) delivered physical copies of the marketing package to CBRE's distribution list of approximately 1,000 parties;
 - (c) delivered e-mails to CBRE's distribution list of almost 2,500 parties, consisting of industry professionals including developers, investors and real estate agents;
 - (d) had phone calls with at least 52 separate parties regarding the opportunity;
 - (e) published the listing on CBRE's public facing website on August 12, 2025;
 - (f) posted the listing on CBRE's LinkedIn page;
 - (g) installed signage on the Property advising of the sale; and
 - (h) published advertisements in industry newsletters regarding the Property.
33. As a result of these marketing efforts, CBRE received thirty-one (31) signed confidentiality agreements by prospective purchasers or brokers, all of whom were given access to the electronic data room.
34. Initially, eight letters of intent were received with a significant range in value. At this time, CBRE invited all of the parties to resubmit their final and best offer.
35. The Receiver approached the party with the highest offer with a view to negotiate on the basis of the Receiver's form of agreement of purchase and sale, but that party withdrew from the process.
36. The Receiver then engaged the second highest offer, which included a significant vendor take back first mortgage and purported to be unconditional. However, the offer included an unusually low deposit. After consultation with Hillmount, the Receiver pursued further negotiations with this purchaser and requested, among other things, an increased deposit with the offer.

37. While the purchaser verbally agreed to increase its deposit to the amount requested by the Receiver, it ultimately failed to provide the deposit and sign the agreement, notwithstanding an extensive time frame provided. While the purchaser verbally agreed to meet the Receiver's conditions for acceptance, despite repeated requests and follow-ups from CBRE, the purchaser did not sign an offer reflecting that agreement. The Receiver negotiated with this purchaser for an approximate 30-day period.
38. As a result of the experience with this purchaser, both the Receiver and CBRE had lost confidence with this purchaser and determined it could not be relied on. The Receiver subsequently approached all of the remaining parties with a view to negotiate increased offers.
39. On October 22, 2025, the Receiver entered into an agreement with a third purchaser with a 45-day conditional period.
40. This purchaser ultimately did not waive the condition period.
41. On December 3, 2025, CPH made an offer to the Receiver to purchase the Property. The offer initially had an acceptance deadline of December 9, 2025. The Receiver was able to negotiate with CPH to extend the deadline to December 11, 2025.
42. In the interim, the Receiver continued to receive interest on a conditional offer to purchase (still with a very low deposit) from the earlier prospective purchaser who the Receiver and CBRE had lost confidence in. However, given the Receiver's and CBRE's earlier experience with this prospective purchaser and the unusually low deposit, the Receiver and CBRE both concluded that it was not worth pursuing. Further, the Receiver advised this prospective purchaser that a materially higher deposit would be required for the Receiver to consider the offer, which the prospective purchaser refused to provide.
43. The Receiver and CBRE were both concerned that if the Receiver did not enter into an agreement with CPH by the December 11th deadline, that CPH would no longer be interested in the sale.

44. Accordingly, the Receiver entered into the Sale Agreement with CPH on December 10, 2025, which had a 30-day conditional period. A copy of the Sale Agreement (with the monetary terms redacted) is attached as **Appendix “4”**. An unredacted copy of the Sale Agreement is attached under seal as **Confidential Appendix “1”**.
45. During CPH’s due diligence, CPH determined that additional archaeology work which had been previously recommended and approved by the Ministry of Heritage had not been undertaken. CPH provided the Receiver a quotation with respect to the cost of such excavation. The Receiver received its own estimate for such work which was generally consistent with the quote provided by CPH.
46. Accordingly, CPH requested a reduction in the purchase price of approximately 1.9%, which the Receiver agreed to. CPH agreed to waive the due diligence condition and assign the agreement to the Purchaser pursuant to the Amending Agreement entered into with the Receiver on January 9, 2026. A copy of the Amending Agreement (with the monetary terms redacted) is attached as **Appendix “5”**. An unredacted copy of the Amending Agreement is attached under seal as **Confidential Appendix “2”**.
47. A summary prepared by CBRE of the offers received and CBRE’s marketing efforts (with the offer summary redacted) is attached as **Appendix “6”**. An unredacted copy of the summary is attached under seal as **Confidential Appendix “3”**.

Agreement of Purchase and Sale

48. The key terms of the Sale Agreement include:
 - (a) the “Purchased Assets” include the Real Property and other documents and property relating to the Real Property;
 - (b) the Purchaser was required to provide a deposit two (2) business days following the execution of the Sale Agreement, which was received by the Receiver;
 - (c) the APS is conditional on Court approval and the issuance of the Approval and Vesting Order;

- (d) there are no conditions to closing other than the issuance of the Approval and Vesting Order;
- (e) the Purchaser is buying the Real Property on an “as is, where is” basis; and
- (f) closing of the Transaction is scheduled to occur within the later of fifteen (15) days after the waiver of the due diligence condition or three (3) business days following the date the Approval and Vesting Order is granted.

Approval of the Transaction

49. The Receiver recommends that the Court approve the Sale Agreement and the Transaction contemplated therein and grant the Approval and Vesting Order for the following reasons:
- (a) the Receiver conducted a sale through a public and commercially recognized sale process, including notice of the sale being sent to more than 3,000 properties;
 - (b) the properties were exposed to the public for an appropriate amount of time based on CBRE’s recommendation and in consultation with Hillmount, resulting in thirty-one (31) parties executing a confidentiality agreement and eight (8) parties submitting offers;
 - (c) the Purchaser is at arms length’ with the Debtors or any interested party to this proceeding;
 - (d) the purchase price is in excess of the appraised value;
 - (e) the Receiver made a sufficient effort to get the best price, the purchase price of the Transaction is reasonable in the circumstances and, while a higher offer was received, both the Receiver and CBRE did not have any confidence in the ability of that prospective purchaser to conclude a transaction and identified deficiencies in the offer, including a very low deposit;
 - (f) the Purchaser is a well-known developer with a successful track record and development of numerous single family and condominium communities with

sufficient resources available to complete the purchase and has placed a deposit with the Receiver which has now become firm; and

- (g) Hillmount is supportive of the Transaction.

RECEIVER'S INTERIM STATEMENT OF RECEIPTS & DISBURSEMENTS

50. Attached hereto as **Appendix "7"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements for the period between July 23, 2025 to December 31, 2025.

RECEIVER'S BORROWINGS

51. Pursuant to paragraph 20 of the Appointment Order, the Receiver was empowered to borrow up to \$500,000 at any time for the purpose of funding the exercise of the Receiver's powers and duties. The Appointment Order charged the Property with the Receiver's Borrowings Charge as security for the payment of 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 is subordinate in priority to the Receiver's Charge (defined below) and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
52. To date, the Receiver has borrowed and has issued Receiver's certificates to the Applicant totalling \$200,000.

PROPOSED DISTRIBUTION TO HILLMOUNT

53. The Receiver has obtained an independent legal opinion from Loopstra Nixon LLP ("**Loopstra**") opining that, subject to the usual assumptions and qualifications, Hillmount's mortgages constitute valid and enforceable first ranking charges against the Real Property (collectively, the "**Hillmount Mortgage**").
54. Hillmount has provided a payout statement in respect of the Hillmount Mortgage. A copy of the payout statement is attached as **Appendix "8"**.

55. The Receiver seeks authorization to distribute the proceeds of the Transaction to Hillmount first as repayment for the Receiver's borrowings of \$200,000 plus interest thereon to the date of payment under the Receiver's Borrowings Charge and second as repayment of all amounts owing by the Debtors to Hillmount pursuant to the Hillmount Mortgage to the date of payment.
56. The Receiver does not expect there to be any surplus proceeds following repayment to Hillmount.

PROFESSIONAL FEES

57. The Receiver seeks approval of its fees and disbursements as well as those of its legal counsel for the period through December 31, 2025, as well as the estimated costs to complete these proceedings.
58. The Receiver's accounts for the period from May 2, 2025 through to December 31, 2025 include the amounts of \$80,110.00 in respect of fees plus disbursements of \$381.44 plus HST of \$10,463.89 totalling \$90,955.33. The Receiver also estimates fees of \$25,000 before disbursements and applicable taxes to complete these proceedings. The Affidavit of Allan Rutman of Zeifmans affirmed January 14, 2026, incorporating copies of the Receiver's accounts, as well as a summary of the personnel, hours and hourly rates of the Receiver is attached as **Appendix "9"**.
59. The accounts of the Receiver's legal counsel, Fogler Rubinoff LLP ("**Foglers**"), for the period from July 17, 2025 through to January 19, 2026 include the amounts of \$29,967.40 in respect of fees plus disbursements of \$213.65 and HST of \$3,914.31, for a total of \$34,095.36. Foglers also estimates fees of \$25,000 plus disbursements of \$250.00 and HST of \$3,282.50 for a total of \$28,532.50 to complete these proceedings. The Affidavit of Joseph Fried of Foglers, affirmed January 20, 2026 incorporating copies of Foglers' accounts, as well as a summary of the personnel, hours and hourly rates is attached as **Appendix "10"**.

60. The accounts of the Receiver's legal counsel, Thornton Grout Finnigan LLP ("TGF") for the period from July 23, 2025 through to January 18, 2026 include the amounts of \$18,245 in respect of fees plus disbursements of \$547.36 and HST of \$2,443.03, for a total of \$21,235.38. TGF also estimates fees of \$25,000 before disbursements and applicable taxes to complete these proceedings. The Affidavit of Derek Harland of TGF, sworn January 20, 2026 incorporating copies of TGF's accounts, as well as a summary of the personnel, hours and hourly rates is attached as **Appendix "11"**.
61. The accounts of Loopstra for the period from January 8, 2026 through to January 20, 2026 include the amounts of \$10,000 in respect of fees plus disbursements of \$339.60 and HST of \$1,344.15, for a total of \$11,683.75. The Affidavit of Matthew Himmel affirmed January 20, 2026 incorporating a copy of Loopstra's account as well as a summary of the personnel, hours and hourly rates, is attached as **Appendix "12"**.
62. The Receiver is of the view that these accounts and the estimated fees are reasonable in the circumstances and have been validly incurred in accordance with the Receivership Order. The Receiver respectfully requests that the Court approve its fees and disbursements and those of its legal counsel.
63. If any amounts remain in the estate following payment of the fees of the Receiver and its counsel, the Receiver recommends such amounts be paid to Hillmount up to the amount of the Indebtedness secured by the Hillmount Mortgage.

SEALING

64. The Receiver recommends that the Confidential Appendices be sealed pending the earlier of closing of the Transaction or further Order of this Court.
65. Disclosure of the information contained in the Confidential Appendices may be prejudicial to the Receiver's sale process if the Transaction fails to close for any reason.
66. The sealing order sought is limited in time and will automatically expire upon the closing of the Transaction or further Order of the Court. This will ensure that the offers and

purchase price provided in the Sale Agreement remain confidential until all sale efforts are completed. This is necessary and sufficient to reasonably protect the legitimate stakeholder interests in the circumstances.

67. The Receiver does not believe that any creditor or interested party will be prejudiced if the information in the Confidential Appendices is sealed.

RECEIVER'S DISCHARGE

68. Upon completing the below activities (collectively, the “**Remaining Matters**”), the Receiver will have completed the administration of these proceedings. The Remaining Matters include:
- (a) payment of all remaining costs, together with any final estate expenses;
 - (b) filing HST returns up to the Receiver's discharge;
 - (c) transferring any funds remaining, if any, to Hillmount;
 - (d) issuing the Receiver's final reports and statements of receipts and disbursements pursuant to section 246(3) of the BIA;
 - (e) filing the Receiver's discharge certificate; and
 - (f) any incidental matters related to completing these proceedings.
69. Upon completing of the Remaining Matters, the Receiver will have realized on the Property and completed its statutory duties as well as the duties set out in the Appointment Order and all subsequent Orders of the Court. Accordingly, the Receiver is of the view that it is appropriate to seek an order of the Court discharging and releasing the Receiver upon the filing of the discharge certificate with the Court certifying that all Remaining Matters have been completed.

CONCLUSION

70. In light of the foregoing, the Receiver respectfully requests that this Court:

- (a) grant the Approval and Vesting Order; and
- (b) grant the Discharge Order.

All of the foregoing is respectfully submitted this 21st day of January, 2026.

ZEIFMAN PARTNERS INC.

Solely in its capacity as Court-appointed Receiver of
Teresa Greco, Mario Greco and Lisa Volpe

DocuSigned by:

Allan Rutman

8B3BA8F4E3DE4FD...

Per: _____

Name: Allan Rutman

Title: President

Appendix “1”



Court File No. CV-25-00743765-00CL

**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

)

WEDNESDAY, THE 23rd

JUSTICE STEELE

)

)

DAY OF JULY, 2025

HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.

Applicant

- and -

TERESA GRECO, MARIO GRECO AND LISA VOLPE

Respondents

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing Zeifman Partners Inc. (“**Zeifmans**”) as receiver (in such capacity, the “**Receiver**”) without security, over the following real property, owned either individually by, or jointly among, Teresa Greco, Mario Greco and Lisa Volpe (collectively, the “**Debtors**”): (a) the real property municipally known as 12371 Highway 48, Stouffville, Ontario, (b) the real property municipally known as 5270 Main Street, Stouffville, Ontario, (c) the real property municipally known as 5318 Main Street, Stouffville, Ontario, (d) the real property municipally known as 5286 Main Street, Stouffville, Ontario, and (e) the real property municipally known as 5262 Main Street, Stouffville, Ontario, legally described at **Schedule “A”** (collectively, the “**Real Property**”), together with all personal

property of the Debtors located at, on, used in connection with, relating to or derived from the Real Property was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the affidavit of Itzhak (Yitz) Levinson affirmed June 4, 2025 and the Exhibits thereto, the supplemental affidavit of Itzhak (Yitz) Levinson affirmed June 20, 2025, the supplemental affidavit of Itzhak (Yitz) Levinson affirmed July 23, 2025, and on hearing the submissions of counsel for the Applicant and on reading the consent of Zeifmans to act as the Receiver, the Affidavit of Service of Daniel Alievsky sworn June 5, 2025, the Affidavit of Service of Julie Mah sworn June 10, 2025, the Affidavits of Service of Norman Ng, sworn June 10, 2025, the Affidavit of Service of Daniel Alievsky sworn June 18, 2025, and the Affidavit of Service of Derek Harland sworn June 23, 2025.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Applicant's Notice of Application and the Application Record is hereby validated such that this application 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, Zeifmans is hereby appointed Receiver, without security, of all of the Real Property, together with all personal property of the Debtors located at, on, used in connection with, relating to or derived from the Real Property, and 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 or renewal of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors with respect to the Property, 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 Debtors in respect of the Property;
- (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 Debtors with respect to the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors with respect to the Property and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors in respect of the Property;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors in respect of the Property;
- (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 Debtors, 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 Debtors relating to the Property, 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, listing the Real Property on a multiple listing service 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 \$500,000.00; 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 Debtors;
- (p) to take steps and actions necessary to maintain or prepare the Property, or any parts thereof, for realization, including arranging for any permits, repairs, maintenance and other preservation and preparation activities as necessary;
- (q) to enter into agreements with any trustee in bankruptcy that may be appointed in respect of the Debtors relating to the Property, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have relating to the Property;
- (s) to retain legal counsel to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order. Such legal counsel may include Thornton Grout Finnigan LLP for insolvency and litigation, and Fogler Rubinoff LLP as real estate lawyers for the Applicant, respectively, herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent legal counsel in respect of any legal advice or services where a conflict exists or may arise as between the Applicant and the Receiver; and

- (t) 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of its current and former employees, agents, accountants, legal counsel 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 Debtors relating to the Property, including but not limited to any reports in respect of the Real Property, 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.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **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 DEBTORS OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors relating to the Property 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 Debtors relating to the Property or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtors relating to the Property, 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 Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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

10. **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 Debtors relating to the Property, without the written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors relating to the Property 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 Debtors relating to the Property 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 Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names relating to the Property, 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 Debtors 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

12. **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

13. **THIS COURT ORDERS** that all employees of the Debtors relating to the Property shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' 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

14. **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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. **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

16. **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

17. **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.

18. **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.

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

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow from the Applicant by way of advances, a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **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.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “B” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

23. **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

24. **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: <https://www.zeifmans.ca/current-insolvency-files/hillmount-capital-mortgage-holdings-inc-v-teresa-greco-et-al/>

25. **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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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

26. **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.

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

28. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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.

29. **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.

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

31. **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.

REGISTRATION ON TITLE

32. **THIS COURT ORDERS** that, as soon as practicable, the Land Registry Office for the Land Titles Division of York (LRO #65) accept this Order for registration on title to the Real Property.

Jana
Steele

Digitally signed
by Jana Steele
Date: 2025.07.23
11:13:13 -04'00'

SCHEDULE "A"

LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN 03719-0084 (LT)

PT LT 1 CON 8 WHITCHURCH AS IN R275292 ; WHITCHURCH-STOUFFVILLE

PIN 03719-0095 (LT)

PT LT 1 CON 8 WHITCHURCH AS IN R261911; WHITCHURCH-STOUFFVILLE

PIN 03719-0140 (LT)

PT LT 1 CON 8 WHITCHURCH AS IN B11652B ; WHITCHURCH-STOUFFVILLE

PIN 03719-0552 (LT)

PT LT 1 CON 8 WHITCHURCH, AS IN R245872, EXCEPT PT 1 65R30501 , WHITCHURCH-STOUFFVILLE .

PIN 03719-0595 (LT)

PT LT 1, CON 8 (WHIT) PT 1 65R1658 EXCEPT PT 1 D1036; WHITCHURCH-STOUFFVILLE.

PIN 03719-1199 (LT)

PT LT 1 CON 8 WHITCHURCH AS IN R746762 (FIRSTLY) EXCEPT PT 1, 65R30500; WHITCHURCH-STOUFFVILLE

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Zeifman Partners Inc., the receiver (the "**Receiver**") without security, over the following real property, owned either individually by, or jointly among, Teresa Greco, Mario Greco and Lisa Volpe (collectively, the "**Debtors**"): (a) the real property municipally known as 12371 Highway 48, Stouffville, Ontario, (b) the real property municipally known as 5270 Main Street, Stouffville, Ontario, (c) the real property municipally known as 5318 Main Street, Stouffville, Ontario, (d) the real property municipally known as 5286 Main Street, Stouffville, Ontario, and (e) the real property municipally known as 5262 Main Street, Stouffville, Ontario, together with all personal property of the Debtors located at, on, used in connection with, relating to or derived from the Real Property (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 23rd day of July, 2025 (the "**Order**") made in an application having Court File No. CV-25-00743765-00CL, 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 _____, 20__.

Zeifman Partners Inc., solely in its capacity as
Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

**HILLMOUNT CAPITAL MORTGAGE
HOLDINGS INC.**

- and -

TERESA GRECO, MARIO GRECO AND LISA VOLPE

Applicant

Respondents

Court File No. CV-25-00743765-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceedings commenced at Toronto, Ontario

ORDER

Thornton Grout Finnigan LLP
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Lawyers for the Applicant,
Hillmount Capital Mortgage Holdings Inc.

Appendix “2”



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-25-00743765-00CL DATE: June 24, 2025

NO. ON LIST: 3

TITLE OF PROCEEDING: **HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC. v.
GRECO et al**

BEFORE JUSTICE: **STEELE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Daniel Alievsky	Hillmount Capital Mortgage Holdings Inc.	dalievsky@tgf.ca
Derek Harland		dharland@tgf.ca

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
MONTY DHALI WAL	Greco et al	mdhaliwal@pallettvalo.com
JOHN RUSSO		jrusso@pallettvalo.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE STEELE:

1. Hillmount Capital Mortgage Holdings Inc. ("Hillmount") seeks an order appointing Zeifman Partners Inc. as the receiver over certain real property, owned among Teresa Greco, Mario Greco and Lisa Volpe.
2. The respondents sought an adjournment of thirty days.
3. The respondents entered into an agreement of purchase and sale with a third-party purchaser on or about June 18, 2025. The agreement contains a 30-day conditional period in order for the purchaser to conduct due diligence. After that 30-day period it will be known whether the condition will be waived and the transaction will proceed.
4. Hillmount contested the adjournment and asked to proceed with its application. Hillmount is concerned that the recent conditional APS is a delay tactic.
5. After hearing submissions from counsel, I granted an adjournment to **July 23, 2025 at 10 am (90 minutes) via Zoom**, before me subject to my availability on the Commercial List.
6. The real property is vacant land. There is no evidence of material risk to the applicant's collateral or prejudice from a brief adjournment to determine whether the transaction will proceed. Further, the respondents' evidence is that they "remain ready, willing, and able to deliver interest payments for April, May, June to Hillmount." The respondents are required to do so within the next seven (7) days.


Justice Steele

Date: June 24, 2025

Appendix “3”



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-25-00743765-00CL DATE: July 23, 2025

NO. ON LIST: 2

TITLE OF PROCEEDING: **HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC. v.
GRECO et al**
BEFORE JUSTICE: **Justice Steele**

PARTICIPANT INFORMATION

For Applicant or Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Derek Harland	Counsel for Applicant, HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.	dharland@tgf.ca
Daniel Alievsky	Counsel for Applicant, HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.	dalievsky@tgf.ca

For Defendant, Respondent or Responding Party:

Name of Person Appearing	Name of Party	Contact Info
John Russo	Counsel for Respondents, Mario Greco, Teresa Greco, Lisa Volpe	jrusso@pallettvalo.com

For Other or Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE STEELE:

[1] Hillmount Capital Mortgage Holdings Inc. (“Hillmount”) seeks an order appointing Zeifman Partners Inc. as the receiver over certain real property owned either individually by, or jointly among, Teresa Greco, Mario Greco, and Lisa Volpe.

[2] Capitalized terms used in this endorsement that are not defined herein have the meaning set out in Hillmount’s factum.

[3] The respondents do not oppose the application.

[4] Hillmount is the first ranking secured creditor. Under the terms of Hillmount’s security, it has the right to appoint a receiver upon default of the Loan. The loan to Hillmount matured in accordance with its terms on November 15, 2024. The Debtors failed to repay the Indebtedness upon the maturity of the Mortgages and have defaulted. Hillmount delivered a Demand to the Debtors and issued a NITES.

[1] The only issue before the Court today is whether it is just or convenient to appoint a receiver.

[2] Under section 101 of the *Courts of Justice Act* and section 243(1) of the *Bankruptcy and Insolvency Act*, the Court may appoint a receiver where it is “just or convenient” to do so.

[3] In determining whether it is “just or convenient” to appoint a receiver, the Court must consider “all of the circumstances but in particular the nature of the property and the rights and interests of all relevant parties:” *Nova Scotia v. Freure Village on Clair Creek*, 1996 CanLII 8258 (ONSC) at para. 10. The relevant circumstances for the court to consider includes the rights of the secured creditor under its security. The discretionary factors that the Court has historically considered in determining whether it is appropriate to appoint a receiver were recently summarized by the Court in *C&K Mortgage et al v. 11282751 Canada Inc. et al*, 2024 ONSC 1039, at para. 19.

[4] I have determined that the proposed receivership order is just or convenient in the circumstances.

[5] Although the appointment of a receiver is generally an extraordinary remedy, the extraordinary nature of the remedy is reduced where the applicant is merely seeking to enforce a term of an agreement that was agreed to by both parties: *Elleway Acquisitions Ltd. v. Cruise Professionals Ltd.*, 2013 ONSC 6866, at para. 27. Recently in *iSpan Systems LP*, 2023 ONSC 6912, at para. 31, Osborne J. further affirmed the principle set out in *Elleway*:

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: while the appointment of a receiver is generally an extraordinary equitable remedy, the courts do not so regard the nature of the remedy where the relevant security permits the appointment and as a result, the applicant is merely seeking to enforce a term of an agreement already made by both parties [citations omitted].

[6] The Real Property that is owned by the Debtors is currently vacant land. However, a significant portion of the Real Property is developable. Final site plan approval has not yet been obtained.

[7] In *Bank of Montreal v. Haro-Thurlow Street Project Limited Partnership*, 2024 BCSC 47, Fitzpatrick J. considered determined that it was just and convenient in the circumstances to appoint a receiver over a tenanted commercial and residential complex that was also a “unique development property, which will attract only a certain cohort of potential purchasers.” She noted, at para. 109, that to sell the property “will require the specialized expertise of a receiver to competently list and market the property,” which might include “retaining a commercial real estate brokerage.” At para. 110, Fitzpatrick J. noted:

Any receiver will have to undertake certain investigations and complete due diligence to prepare an appropriate sales process. I would expect that financial information would be reviewed as part of that process. I expect that there will be the need to prepare complex sale documentation, such as teasers, non-disclosure agreements and the like. I expect a data room will be set up and populated to assist prospective buyers with the necessary due diligence to make an informed offer.

[8] While the Real Property in the instant case is not tenanted, it is a unique commercial development property. As noted by Hillmount, and similar to *Haro*, the property will attract only a certain cohort of potential buyers. The Debtors have been trying for some time to obtain the necessary site approvals. The Debtors had also previously listed the property with CBRE, a commercial real estate brokerage. The property had some interest, but ultimately was not sold before the listing agreement expired. Similar to *Haro*, the expectation is that a receiver will need to retain an experienced commercial real estate brokerage and will require more targeted marketing to the specific cohort of potential buyers. Further, it is expected that a data room, and non-disclosure agreements, among other things, will be necessary. I also note that the Debtors have not opposed the appointment of a receiver.

[9] The Order sought is similar in all material respects to the Commercial List Model Order. The powers in section 3 are expanded to include the power for the Receiver to take any actions needed to prepare the property for realization, given that it is a development property. The powers also are expanded to specifically note that the Receiver may retain legal counsel that had been retained by Hillmount “in respect of any matter where there is no conflict of interest.” The added power further provides that “The Receiver shall, however, retain independent legal counsel in respect of any legal advice or services where a conflict exists or may arise as between the Applicant and the Receiver.” As noted by Hillmount’s counsel, this added power is sometimes included in receivership orders; however, even without the addition of this language it is not uncommon for a receiver to retain the same counsel as the applicant on matters where there is no conflict of interest for efficiency purposes. Hillmount’s counsel noted that the addition of the language in the Order makes it clear to stakeholders that the Receiver cannot retain the same counsel as the applicant where there is a conflict of interest or where a conflict may arise. I am satisfied that it is appropriate to include the permissive language in the Order. Ultimately, it is the Receiver’s decision as to what counsel it will retain.

[10] Order attached.



Justice Steele

Appendix “4”

AGREEMENT OF PURCHASE AND SALE

This AGREEMENT made the 10th day of December, 2025.

BETWEEN:

ZEIFMAN PARTNERS INC.,

in its capacity as Court-Appointed Receiver of certain assets, undertakings and properties of Teresa Greco, Mario Greco and Lisa Voipe (collectively "the Debtor") and on behalf of the Debtor and not in its personal or corporate capacity

(the "Receiver" or "Vendor")

and

CPH DEVELOPMENT PROJECTS INC.

(the "Purchaser")

RECITALS:

- A. Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated July 23, 2025, (the "Appointment Order") Zeifman Partners Inc., was appointed as receiver of all of the property, assets and undertakings of the Debtor including but not limited to the real properties municipally known as 12371 Highway 48, Stouffville, Ontario, 5270 Main Street, Stouffville, Ontario, 5318 Main Street, Stouffville, Ontario, 5286 Main Street, Stouffville, Ontario and 5282 Main Street, Stouffville, Ontario and legally described in Schedule "A" (collectively the "Property").
- B. The Vendor desires to sell and the Purchaser desires to purchase the Purchased Assets, as more particularly set out herein, subject to the terms and conditions hereof.

NOW THEREFORE in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Parties covenant and agree as follows:

SECTION 1 - INTERPRETATION

1.1 Definitions

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) "Acceptance Date" means the date that this Agreement is executed and delivered by the Parties;

Handwritten signatures and lines in blue ink, including a large 'X' mark and several scribbles.

- (b) **"Agreement"** means this Agreement of Purchase and Sale, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement;
- (c) **"Applicable Laws"** means, with respect to the Purchased Assets or to any Person, property, transaction or event, all laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law relating to or applicable to such Person, property, transaction or event;
- (d) **"Appointment Order"** has the meaning ascribed to it in Recital A;
- (e) **"Approval and Vesting Order"** means an order or orders made by the Court approving this Agreement and the Transaction and vesting in the Purchaser or its permitted assignee all the right, title and interest of the Debtor in the Purchased Assets free and clear of all Encumbrances (except for the Permitted Encumbrances) in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably. For greater certainty, the vesting portion of the "Approval and Vesting Order" shall be substantially in the form of the model approval and vesting order approved by the "Ontario Commercial List Users Committee";
- (f) **"Assumed Liabilities"** has the meaning ascribed to it in Section 2.10;
- (g) **"Authorities"** means the municipal, regional, provincial or federal governments and their agencies, authorities, branches or departments having or claiming jurisdiction over the Property and **"Authority"** means any one such government, agency, authority, branch or department;
- (h) **"Business Day"** means a day on which banks and the Land Registry Office are open for business but does not include a Saturday, Sunday, or statutory holiday in the Province of Ontario;
- (i) **"CIM"** means the confidential information memorandum prepared by the Vendor's Agent;
- (j) **"Claim"** means any Claim, demand, action, cause of action, damage, loss, cost, liability or expense (including legal fees on a substantial indemnity basis) and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;
- (k) **"Closing"** means the successful completion of the Transaction in accordance with the provisions of this Agreement;
- (l) **"Closing Date"** means the later of (i) fifteen (15) days after the waiver of the Purchaser's Due Diligence Condition; or (ii) three (3) Business Days

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immediately following the date upon which the Approval and Vesting Order is granted, but no later than the Outside Date, or such other date as the Parties may mutually agree upon;

- (m) **"Court"** has the meaning ascribed to it in Recital A;
- (n) **"Data Room"** means the electronic data room established by or on behalf of the Vendor containing documents related to the Purchased Assets for review by the Purchaser;
- (o) **"Deposit"** has the meaning ascribed to it in Section 2.5;
- (p) **"Due Diligence Condition"** has the meaning ascribed to it in Section 4.6; **"Due Diligence Date"** has the meaning ascribed to it in Section 4.6;
- (q) **"Encumbrance"** means any mortgage, charge, pledge, hypothecation, security interest, trust, deemed trust (statutory or otherwise) assignment, lien (statutory or otherwise), writs of execution, Claim, title retention agreement or arrangement, restrictive covenant, rights of first refusal, rights of first offer, leases, rights of way, easements, encroachments, reserves, or other encumbrance of any nature or any other arrangement or condition which, in substance, secures payment or performance of an obligation or which grants or purports to grant an option or a right to acquire an interest in the Purchased Assets;
- (r) **"Environmental Condition"** has the meaning ascribed to it in Section 2.2(a);
- (s) **"Environmental Laws"** means all Applicable Laws concerning pollution or protection of the natural environment or otherwise relating to the environment or health or safety matters, including Applicable Laws pertaining to (i) reporting, licensing, permitting, investigating and remediating the presence of Hazardous Materials, and (ii) the storage, generation, use, handling, manufacture, processing, transportation, treatment, release and disposal of Hazardous Materials including without limiting the generality of the foregoing the following any written policies and guidelines and directives, administrative rulings or interpretations, that are in effect and applicable to the Vendor or the Property on the Closing Date, as well as the common law and any judicial or administrative order, consent decree or judgment that is in effect and applicable to the Vendor or the Property on the Closing Date, that relates to pollution or the protection of 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 and 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;

- (t) "Ereg" has the meaning ascribed to it in Section 5.7;
- (u) "ETA" means the *Excise Tax Act* (Canada), as it may be amended from time to time;
- (v) "Government Authority" means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the Transaction or one or both of the Parties and shall include a board, commission, courts, bureau, agency or any quasi-governmental or private body exercising any regulatory authority including an association of insurance underwriters;
- (w) "Hazardous Materials" means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health or safety matters;
- (x) "HST" means all goods and services taxes and harmonized sales tax payable under the ETA;
- (y) "Land Transfer Tax" means all the taxes payable under the *Land Transfer Tax Act* (Ontario) and any other applicable provincial or municipal land transfer tax legislation, including all registration fees, license fees, and other like charges payable upon a transfer of real property, together with interest, penalties and additions thereto;
- (z) "Liabilities" means all costs, expenses, charges, debts, liabilities, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise, liquidated or unliquidated under or in respect of any contract, agreement, arrangement, lease, commitment or undertaking, Applicable Law and Transfer Taxes;
- (aa) "Outside Date" means the 180th day after the Acceptance Date;
- (bb) "Parties" means the Vendor, the Purchaser and any other Person who may become a party to this Agreement. "Party" means any one of the foregoing;



- (cc) **"Permitted Encumbrances"** means those Encumbrances listed in Schedule "B" attached hereto;
- (dd) **"Person"** means an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;
- (ee) **"Plans"** means plans and documentation, if any, posted in the Data Room, relevant to the development of the Property including, without limitation, any project documents, the CIM, engineering drawings, landscaping plans, reports (including the Reports), project documents, surveys, studies and other documentation prepared to illustrate or define a particular aspect of the development of the Property;
- (ff) **"Property"** has the meaning ascribed to it in Recital A;
- (gg) **"Property Documents"** means: (i) the Reports; (ii) the Plans; and (iii) the documents in the Data Room, or otherwise made available to the Purchaser, the Purchaser's Solicitors, or its agents;
- (hh) **"Purchaser Closing Conditions"** has the meaning ascribed to it in Section 4.1;
- (ii) **"Purchase Price"** shall have the meaning ascribed to it in Section 2.4. For greater certainty, the Purchase Price shall be exclusive of Transfer Taxes and any other taxes payable as a result of or in connection with the Transaction;
- (jj) **"Purchaser's Solicitors"** means the law firm of Parente, Borean LLP;
- (kk) **"Purchased Assets"** means, collectively, the right, title and interest of the Debtor, subject to Section 2.13, in and to:
 - (i) the Property;
 - (ii) subject to Section 2.13, the Property Documents; and
 - (iii) such other property of the Debtor located at, related to, used in connection with or arising from or out of the Property as the Purchaser may advise the Vendor of in writing before Closing.;
- (ll) **"Receiver's Certificate"** means the certificate of the Receiver referred to in the Approval and Vesting Order;
- (mm) **"Receivership Proceedings"** means the receivership proceeding in respect of the Debtor pursuant to the *Bankruptcy and Insolvency Act, R.S.C.*

1985, c. B-3, as amended, and the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended bearing Court File No. CV-25-00743765-0CL;

- (nn) **"Reports"** means collectively any written reports or documents received or obtained by the Receiver from any third party regarding any aspect of the Property including, without limitation, the Reports in the Data Room;
- (oo) **"Rights"** has the meaning ascribed to it in Section 2.13;
- (pp) **"Transaction"** means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement;
- (qq) **"Transfer Taxes"** means all HST, Land Transfer Tax, sales, excise, use, transfer, gross receipts, documentary, filing, recordation, value-added, stamp, stamp duty reserve, and all other similar taxes, duties or other like charges, however denominated together with interest, penalties and additional amounts imposed with respect thereto;
- (rr) **"Vendor Closing Conditions"** has the meaning ascribed to it in Section 4.3;
- (ss) **"Vendor's Agent"** means CBRE Limited;
- (tt) **"Vendor's Solicitors"** means the law firm of Fogler, Rubinoff LLP;
- (uu) **"Work Orders"** means any work orders, deficiency notices, outstanding building permits, orders, or requirements to comply with any Applicable Laws or issued by any Governmental Authority;
- (vv) **"12371 Property"** means the property municipally known as 12371 Highway 48, Stouffville, Ontario;
- (ww) **"5262 Main"** means the property municipally known as 5262 Main Street, Stouffville, Ontario;
- (xx) **"5270 Main"** means the property municipally known as 5270 Main Street, Stouffville, Ontario;
- (yy) **"5286 Main"** means the property municipally known as 5286 Main Street, Stouffville, Ontario; and
- (zz) **"5318 Main"** means the property municipally known as 5318 Main Street, Stouffville, Ontario;

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

1.3 Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4 Schedules

The following Schedules are incorporated in and form part of this Agreement;

Schedule "A" Property

Schedule "B" Permitted Encumbrances

SECTION 2 — SALE AND PURCHASE AND ASSIGNMENT

2.1 Sale and Purchase of Purchased Assets

On the Closing Date, subject to the terms and conditions of this Agreement, the Vendor shall sell, and the Purchaser shall purchase the Purchased Assets, subject to Section 2.13, and the Purchaser shall assume the Assumed Liabilities, all in accordance with and pursuant to the terms hereof and the Approval and Vesting Order. The Purchaser acknowledges that it is not purchasing or otherwise acquiring or assuming any other property, assets or Liabilities of the Debtor other than the Purchased Assets.

2.2 "As is, Where is"

The Purchaser acknowledges and agrees that:

- (a) the Vendor is selling, and the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis subject to whatever defects, conditions, impediments, Hazardous Materials or deficiencies which may exist on the Closing Date, including, without limiting the generality of the foregoing, any latent or patent defects in the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to any matter including, title, encumbrances, description, fitness for purpose or use, merchantability, condition, quantity or quality, latent defects, cost, size, value, state of repair, zoning, permitted uses, permits, compliance with Applicable Laws of Governmental Authorities, threatened claims, litigation, the existence or non-existence of Hazardous Materials flowing onto or from the Property or any part thereof, or in the air, surface or ground water flowing through, onto or from the Property, or any part thereof, any non-compliance with Environmental Laws including any adverse matters contained in the Reports (the "Environmental Condition"), compliance

with any or all Environmental Laws, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Vendor to sell or assign same save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act (Ontario)* or similar legislation do not apply hereto and are hereby waived by the Purchaser. The descriptions of the Purchased Assets set out in the CIM, in this Agreement or in the Property Documents are for the purposes of identification only and no representation, warranty or condition has or will be given by the Vendor concerning the completeness or accuracy of such descriptions. The Purchaser further acknowledges that the CIM, the Property Documents and all other written and oral information (including, without limitation, any analyses, financial information and projections, compilations, studies and the Plans) obtained by the Purchaser from the Vendor or the Vendor's Agent with respect to the Purchased Assets or otherwise relating to the Transaction has been provided for the convenience of the Purchaser only and is not warranted to be accurate or complete. The Purchaser further acknowledges that the Vendor shall not be under any obligation to deliver the Purchased Assets to the Purchaser and that it shall be the Purchaser's responsibility to take possession of the Purchased Assets;

- (b) notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions on title or in regard to any outstanding Work Orders, and the Purchaser shall accept the title to the Property subject to the Permitted Encumbrances and the Environmental Condition;
- (c) the various parties who prepared the Property Documents may have restricted the use thereof to the Debtor only, in their respective retainers with the Debtor and any purported conveyance of any of the Property Documents by the Vendor to the Purchaser may be subject to such limitations;
- (d) without limiting the generality of this Section 2.2, the Purchaser acknowledges and agrees that the Parties have expressly agreed to exclude from this Agreement all express or implied representations and warranties with respect to the following matters:
 - (vi) the compliance of the Property with Applicable Laws, by-laws or regulations including without limitation, municipal zoning by-laws and regulations and Environmental Laws;
 - (vii) any easements, rights of way, instruments, documents, agreements or other registered or unregistered interest in the Property which impacts the use, enjoyment, income or development opportunities connected with the Property;
 - (viii) that the present use or any future use of the Purchased Assets intended by the Purchaser is or will be lawful or permitted;
 - (ix) the execution, good standing, validity, binding effect or enforceability of the Permitted Encumbrances;

- (x) the description, title, condition, state of repair and fitness for any purpose of the Purchased Assets;
 - (xi) that the Receiver and Debtor have any right, title or interest in any goodwill associated with the Purchased Assets, or the use of any name associated with the operation of the Purchased Assets; and
 - (xii) the compliance of the Property with Environmental Laws, Reports or the existence or non-existence of Hazardous Materials, environmental, soil or water contamination or pollution on or about the Property, or otherwise with respect to the environmental condition of the Property;
- (e) the CIM, the Property Documents and any assets lists, information packages and other material concerning the Purchased Assets or the sale thereof provided by or on behalf of the Vendor and the Vendor's Agent have been prepared solely for the convenience of the Purchaser and are not warranted or represented to be complete or accurate and the descriptions of the Purchased Assets provided to the Purchaser are for the purposes of identification only, no conditions, warranty or representation has been or will be given by the Vendor concerning the accuracy, completeness or any other matter concerning such descriptions;
 - (f) the Vendor is entering into this Agreement solely in its capacity as Receiver of the assets, undertaking and properties of the Debtor pursuant to the Appointment Order and not in its personal or other capacity and the Vendor and its agents (including the Vendor's Solicitors and the Vendor's Agent), officers, directors and employees will have no personal or corporate liability under or as a result of this Agreement, or otherwise in connection herewith;
 - (g) save as to any valid objection to title made in respect of matters arising after the Due Diligence Date, the Purchaser shall be conclusively deemed to have accepted the title to the Property and to have accepted the Property subject to the Permitted Encumbrances and the Environmental Condition and subject to all Applicable Laws, by-laws and regulations affecting its use. If any valid objection to title expressly permitted herein 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, then either Party may terminate this Agreement by Notice to the other, whereupon, except as herein expressly set forth, the Deposit without interest accrued thereon shall be forthwith returned to the Purchaser in accordance with and subject to the terms in Section 2.5 and 2.12 each of the Purchaser and the Receiver shall be released from all obligations under this Agreement;
 - (h) the Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title except such of the foregoing as are in the possession or control of the Receiver;
 - (i) the Vendor has provided the Purchaser access to the Data Room and that the Purchaser has had sufficient opportunity to review, and has satisfied itself with respect to, the Property Documents. If for any reason the Transaction is not



completed, the Purchaser shall forthwith return the Property Documents and delete any electronic copies of them in its possession or control. The Vendor makes no representation or warranty, express or implied, as to the accuracy or completeness of any information contained in the CIM and any of the Property Documents;

- (j) in entering into this Agreement, the Purchaser has relied and will rely entirely and solely upon its own inspections and investigations with respect to the Property and the Purchased Assets, including the physical condition and the Environmental Condition of the Purchased Assets including compliance with Applicable Laws and has relied solely upon its own judgement resulting from doing so and has not relied and will not rely on any information, written or oral, furnished by the Vendor or any other person or entities on behalf of or at the direction of the Vendor including the Vendor's Agent, including with respect to value of the Purchased Assets, the development potential of the Property, adequacy, marketability, quantity, location, condition, quality, fitness or state of repair. The information in the CIM, the Data Room and the description of the Purchased Assets in any marketing material, listing information, and any like material delivered or made available by the Vendor and/or the Vendor's Agent, the Vendor's agents or any other party on its behalf to the Purchaser or its representatives are believed to be correct, but if any misstatement, error, inaccuracy or omission (collectively the "Inaccuracies") is found in the them, the Purchaser shall not be entitled to any abatement, damages, reimbursement, costs or to termination of this Agreement as a result of them and the Purchaser releases the Vendor and its respective agents from any Claims including the Vendor's Agent the Purchaser had, has or may have as a result of such Inaccuracies;
- (k) the Purchaser shall indemnify and save harmless the Vendor and its directors, officers, employees, agents and representatives (collectively, the "Indemnitees") from and against any and all Liabilities which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the operations or activities of the Purchaser on the Property or any order, notice, directive, or requirement under, or breaches, violations or non-compliance with, any Environmental Laws but only to the extent that either occurs after the Closing Date or as a result of the use, generation, removal, disposal, transportation, storage, release or threat of release at, on, in, to, from or about the Property of any Hazardous Substances after the Closing Date (the "Post-Closing Environmental Indemnity"). Notwithstanding the foregoing, the Post-Closing Environmental Indemnity shall also include any and all matters, events, incidents, releases, breaches, violations or non-compliances with any Environmental Laws or matters involving any Hazardous Substances, that occurred or may have occurred prior to the Closing Date which are caused by, exacerbated by or contributed to by the Purchaser. The obligation of the Purchaser hereunder shall survive the Closing Date; and
- (l) the Purchaser agrees to release and discharge the Vendor and its directors, officers, employees, agents and representatives from every claim of any kind that the Vendor may make, suffer, sustain or incur in regard to any Environmental Condition. The Purchaser further agrees that the Purchaser will not, directly or



indirectly, attempt to compel the Vendor to clean up, remediate, restore, rehabilitate, mitigate, assess or remove or pay for the cleanup, remediation, restoration, rehabilitation, mitigation, assessment or removal of any Hazardous Substances, remediate, address, restore or rehabilitate any condition or matter in, on, at under, to, from or in the vicinity of the Property or seek an abatement in the Purchase Price or damages in connection with any Hazardous Substances. This provision shall not expire with or be terminated or extinguished by or merged in the Closing of the transaction of purchase and sale, contemplated by this Agreement, and shall survive the termination of this Agreement for any reason or cause whatsoever and the closing of the transaction contemplated in this Agreement.

2.3 Permitted Encumbrances

The Purchaser acknowledges that the Vendor is selling the Purchased Assets subject to the Assumed Liabilities and that the Vendor undertakes no obligation to discharge the Permitted Encumbrances on Closing or thereafter.

2.4 Purchase Price

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the "Purchase Price") shall be an amount of [REDACTED]

[REDACTED] *CJ* [REDACTED] *CJ*

2.5 Deposit

The Parties acknowledge and agree that the Purchaser will remit a deposit in the sum of One Million Dollars (\$1,000,000.00) (the "Deposit") within two (2) Business Days of the Acceptance Date to the Vendor's trust account. The Deposit shall be held in a non-interest-bearing account of a Canadian chartered bank or trust company, in trust and to be disbursed in accordance with the following provisions:

- (a) if the purchase and sale of the Purchased Assets is completed on the Closing Date, then the Deposit shall be released from trust and applied towards payment of the Purchase Price;
- (b) if the purchase and sale of the Purchased Assets is not completed on the Closing Date for any reason other than the default of the Purchaser hereunder, then the Deposit shall, subject to any Claim by the Vendor under Section 2.12 herein, be released from trust and paid to the Purchaser in full satisfaction of all Claims incurred by the Purchaser as a result of such non-completion; or
- (c) if the purchase and sale of the Purchased Assets is not completed on the Closing Date as a result of the Purchaser's default hereunder, then the Deposit shall be forfeited to the Vendor and released from trust as liquidated damages and not as a penalty and paid to the Vendor without prejudice to the Vendor's rights to reimbursement on account of any Claim incurred by the Vendor as a result of such failure and the Vendor shall be entitled to pursue all of its rights and remedies against the Purchaser, including the

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resale of the Purchased Assets. Upon any such resale, the Purchaser shall pay to the Vendor: (i) an amount equal to the amount, if any, by which the Purchase Price under this Agreement exceeds the net purchase price received by the Vendor pursuant to such resale (net of any commissions and costs and expenses incurred to effect the completion of such resale), and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of the Transaction or occasioned by the Purchaser's failure to comply with this Agreement.

2.6 Payment of Purchase Price

The Purchase Price shall be paid and satisfied as follows:

- (a) on Closing, the Deposit shall be released from trust and credited against the Purchase Price in accordance with Section 2.5(a); and
- (b) on Closing, the Purchase Price, subject to adjustments and minus the amount paid to the Vendor pursuant to Section 2.6(a), shall be paid to the Vendor's Solicitors' trust account by way of wire transfer.

2.7 Allocation of Purchase Price

The entire Purchase Price shall be allocated to the Property (as opposed to any other item forming part of the Purchased Assets, to the extent applicable) and the Parties shall ensure that the Purchaser and the Vendor shall follow such allocation in determining and reporting their liabilities for any Transfer Taxes and, without limitation, shall file their respective income tax returns prepared in accordance with such allocation, provided that nothing herein shall require the Vendor to file any income tax returns that it is not otherwise required to file.

2.8 Adjustment of Purchase Price

- (1) The Purchase Price shall be adjusted as of the Closing Date in accordance with the terms of this Agreement for any property taxes (including interest thereon, if applicable), utilities and any other Items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a Court supervised sale (the "Adjustments"). The Vendor shall prepare a statement of adjustments and deliver same to the Purchaser for its approval by no later than 5 Business Days prior to the Closing Date. If the amount of any Adjustments required to be made pursuant to this Purchase Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be made by the Vendor as of the Closing Date based upon the best information available to the Vendor at such time. When such cost or amount is determined, the Vendor or Purchaser, as the case may be, shall, within 30 days of determination, provide a complete statement thereof to the other and within 30 days thereafter the Vendor and the Purchaser shall make a final adjustment as of the Closing Date for the item in question. In the absence of agreement by the Parties, the final cost or amount of an item shall be determined by an

accountant or such other financial professional appointed jointly by the Vendor and the Purchaser, with the cost of such accountant's or other financial professional's determination being shared equally between the Parties. All re-adjustments by either party shall be requested in a detailed manner on or before the 60th day after the Closing Date, after which times the Purchaser shall not have any right to request a re-adjustment.

- (2) Other than as provided for in this section 2.8, there shall be no Adjustments to the Purchase Price.

2.9 Excluded Liabilities

Other than the Assumed Liabilities, the Purchaser shall not assume and shall not be liable for any other Liabilities of the Vendor or the Debtor.

2.10 Assumed Liabilities

From and after Closing, the Purchaser shall assume and be liable for the Assumed Liabilities. The Assumed Liabilities shall consist only of the Liabilities incurred under or in respect of:

- (a) Permitted Encumbrances;
- (b) the use of the Purchased Assets from and after the Closing Date to the extent relating to periods from and after the Closing Date; and
- (c) the Environmental Condition, and any and all Liabilities which may result therefrom.

(the foregoing collectively, the "Assumed Liabilities").

2.11 Taxes

In addition to the Purchase Price, the Purchaser or the beneficial owner of the Property, if different from the Purchaser, shall pay all applicable Transfer Taxes exigible in connection with the purchase and sale of the Purchased Assets, including, without limitation, HST and Land Transfer Tax.

The Purchaser will be an HST registrant and a prescribed recipient under the ETA on or before the Closing Date and will provide its registration number to the Vendor on or before the Closing Date.

The Purchaser shall deliver, prior to Closing, a certificate in form prepared by the Vendor, acting reasonably, certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Governmental Authority all HST payable in respect of the Transaction. The Purchaser's certificate shall also include certification of the Purchaser's prescription and/or registration as the case may be, and the Purchaser's HST registration number together and the Purchaser shall indemnify and hold harmless the Vendor from and against any and all Claims, HST, penalties, costs and any interest that may become

payable by or assessed against the Vendor for all Transfer Taxes arising out of, related to or connected in any way with the Property or this Transaction. If the Purchaser fails to deliver its certificate, then the Purchaser shall tender to the Vendor at Closing, in addition to the balance due on Closing, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the Transaction.

2.12 Inspections

To facilitate the Purchaser's due diligence of the Purchased Assets, the Vendor will permit the Purchaser, its consultants, agents and representatives to carry out, at the Purchaser's sole expense and risk, such investigations, soil tests, and environmental audits as the Purchaser may deem necessary with respect to the Property, subject to and conditional upon the following terms and conditions:

- (a) any invasive testing shall require the Vendor's written approval prior to such testing, which shall not be unreasonably or arbitrarily withheld or delayed;
- (b) the Purchaser shall provide at least two Business Days' notice to the Vendor of any such tests and inspections and the Vendor will be entitled to have a representative present during all such tests and inspections;
- (c) all soil tests or environmental audits shall be coordinated with the Vendor;
- (d) the Purchaser shall comply with all Applicable Laws relating to the Property;
- (e) any damage to the Property caused by such tests and inspections will be promptly repaired by the Purchaser and the Purchaser will indemnify and save the Vendor harmless from all Claims which the Vendor may suffer as a result of the said tests and inspections or any other breach of this Section by the Purchaser; and
- (f) prior to entering the Property to conduct the Purchaser's tests and investigations, the Purchaser shall deliver (or shall cause its representatives completing the Purchaser's investigations on its behalf to deliver) to the Vendor evidence of liability insurance coverage for at least \$2,000,000.

The Purchaser agrees that the Vendor shall be entitled to deduct from the Deposit the amount of any Claims which the Vendor may incur as a result of a breach of this Section 2.12 by the Purchaser. In the event that the Purchaser fails or elects not to waive its Due Diligence Condition (as hereinafter defined) and provided that the Vendor returns the Purchaser's Deposit and the Purchaser is released of its obligations pursuant to this Agreement, to the extent that the Purchaser commissions any reports in connection with its tests and investigations of the Property, copies of all such reports shall be delivered to the Vendor at no cost to the Vendor within three (3) Business Days of written request from the Vendor.

2.13 Non-Transferable and Non-Assignable Purchased Assets

To the extent that any of the Purchased Assets, save and except for the Property, to be

transferred to the Purchaser on the Closing Date, or any Claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the "Rights") is not capable of being transferred without the approval, consent or waiver of any third Person, or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any Applicable Law unless the approval, consent or waiver of such third Person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent or waiver has been obtained. After Closing and for a period of sixty (60) days following the Closing, the Vendor shall:

- (a) maintain its existence and hold the Rights in trust for the Purchaser;
- (b) comply with the terms and provisions of the Rights as agent for the Purchaser at the Purchaser's cost and for the Purchaser's benefit;
- (c) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser; and
- (d) enforce, at the reasonable request and direction of the Purchaser and at the expense and for the account of the Purchaser, any rights of the Vendor arising from such Rights against any third Person, including the right to elect to terminate any such Rights in accordance with the terms of such Rights upon the written direction of the Purchaser.

In order that the full value of the Rights may be realized for the benefit of the Purchaser, the Vendor shall, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser may specify, take all such action and do or cause to be done all such things as are, in the reasonable opinion of the Vendor, necessary or proper in order that the obligations of the Vendor under such Rights may be performed in such manner that the value of such Rights is preserved and enures to the benefit of the Purchaser. To the extent that such approval, consent or waiver has not been obtained by the 60th day following the Closing, such Right shall be deemed to be an excluded Purchased Asset and the Vendor may terminate any agreement pertaining to such Right unless otherwise agreed to by the Parties. The Purchaser shall indemnify and hold the Vendor harmless from and against any Claim under or in respect of such Rights arising because of any action of the Vendor taken in accordance with this Section.

SECTION 3 - REPRESENTATIONS AND WARRANTIES

3.1 Purchaser's Covenants

The Purchaser covenants and agrees that it will, effective on and after the Closing Date, assume and be fully responsible for:

- (a) all obligations which are to be observed or performed from and after completion of this Transaction under the Permitted Encumbrances; and

- (b) the Assumed Liabilities and any other obligations and liabilities assumed by the Purchaser as provided for by this Agreement.

3.2 Purchaser's Representations and Warranties

The Purchaser represents and warrants to the Vendor, which representations and warranties the Vendor is relying upon, that:

- (a) the Purchaser is and will be as of Closing, a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified to purchase and own the Purchased Assets;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the Transaction has been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) no consent or approval of or registration, declaration or filing with any Government Authority is required for the execution or delivery of this Agreement by the Purchaser, the validity or enforceability of this Agreement against the Purchaser, or the performance by the Purchaser of any of its obligations hereunder;
- (d) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (e) to the Purchaser's knowledge, without undertaking any inquiry, there is no judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which affects the ability of the Purchaser to enter into this Agreement or to consummate the Transaction;
- (f) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as of Closing, duly and validly executed and delivered by the Purchaser and constitute or will, as of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (g) the Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*;
- (h) the Purchaser is not a non-resident for purposes of Section 116 of the *Income Tax Act (Canada)*;

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- (i) subject to any exceptions set out or prescribed in the *Prohibition on the Purchase of Residential Property by Non-Canadians Act*, S.C. 2022, c. 10, s. 235, the Purchaser represents and warrants that the Purchaser is not and on completion, will not be a Non-Canadian under the Non-Canadian provisions of the *Prohibition on the Purchase of Residential property by Non-Canadians Act*, S.C. 2022, c. 10, s. 235, which representation and warranty shall survive and not merge upon the completion of this transaction and the Purchaser shall deliver to the Vendor a statutory declaration that the Purchaser is not then a Non-Canadian of Canada; provided further that if the Purchaser qualifies for any exception as set out or prescribed by the statute, the Purchaser shall deliver to the Vendor a statutory declaration that the Purchaser is a Non-Canadian but is not in contravention of the statute because of a valid exception as set out or prescribed in the statute;
- (j) the Purchaser has now and will have on the Closing Date the financial resources to complete this Transaction in accordance with the terms of this Agreement; and
- (k) the Purchaser is registered or will be registered on Closing under Part IX of the ETA.

3.3 Receiver's Representations

The Receiver represents and warrants to the Purchaser, which representations and warranties shall survive Closing for a period of six months from the Closing Date, as follows:

- (a) the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Receiver, subject to the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Receiver enforceable in accordance with its terms;
- (b) the Receiver has been duly appointed by the Court, with the full right, power and authority to enter into this Agreement, perform its obligations hereunder and convey the Purchased Assets; and
- (c) the Receiver is not a non-resident of Canada for purposes of Section 116 of the *Income Tax Act* (Canada).

3.4 Survival of Representations, Warranties and Covenants

The representations, warranties, agreements and covenants made by the Purchaser herein or in any other agreement, certificate or instrument delivered by the Parties pursuant to this Agreement shall survive the Closing, and notwithstanding the Closing, shall continue in full force and effect for the benefit of the Vendor, without limitation, save and except as expressly provided for in this Agreement to the contrary. The

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representations and warranties of the Vendor herein shall remain in effect until the Vendor is discharged by the Court as the Receiver.

SECTION 4 — CONDITIONS

4.1 Purchaser Closing Conditions

The obligation of the Purchaser to complete the Transaction is subject to the following conditions precedent being fulfilled or performed at or prior to the Closing Date (the "**Purchaser Closing Conditions**"):

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date in all material respects with the same effect as though made on and as of that date;
- (b) the Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at Closing all the documents contemplated in Section 5.3 or elsewhere in this Agreement;
- (c) the Approval and Vesting Order shall have been granted by the Outside Date and shall not have been stayed, varied or set aside; and

The Purchaser Closing Conditions are for the exclusive benefit of the Purchaser. Any Purchaser Closing Condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

4.2 Purchaser Closing Conditions Not Fulfilled

If any Purchaser Closing Condition has not been fulfilled at or prior to Closing, then the Purchaser in its sole discretion may, either:

- (a) terminate this Agreement by notice to the Vendor, in which event the Purchaser shall be released from its obligations under this Agreement and the Deposit shall be promptly returned to the Purchaser in accordance with and subject to the provisions of Section 2.5 hereof, or
- (b) waive compliance with any such Purchaser Closing Condition, without prejudice to its right of termination in the event of non-fulfillment of any other Purchaser Closing Condition.

The Closing of the Transaction shall deem all conditions to be waived or satisfied.

4.3 Vendor Closing Conditions

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Date (the "**Vendor Closing**

Conditions"):

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date in all material respects with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents contemplated in Section 5.2 or elsewhere in this Agreement;
- (c) there shall be no litigation or proceedings pending against the Vendor, in respect of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (d) the Approval and Vesting Order shall have been granted by the Outside Date and shall not have been stayed, varied or set aside.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. The Closing of the Transaction shall deem all conditions to be waived or satisfied.

4.4 Vendor Closing Conditions Not Fulfilled

If any Vendor Closing Condition shall not have been fulfilled at or prior to Closing, then the Vendor in its sole subjective discretion may, without limiting any rights or remedies available to the Vendor at law or in equity, either:

- (a) terminate this Agreement by notice to the Purchaser in which event the Vendor shall be released from all obligations under this Agreement and, unless the Vendor Closing Condition that was not fulfilled was the Vendor Closing Conditions contained in Sections 4.3(c) or 4.3(d), the Deposit shall be retained by the Vendor in accordance with the provisions of Section 2.5 hereof; or
- (b) waive compliance with any such Vendor Closing Condition without prejudice to its right of termination in the event of non-fulfillment of any other Vendor Closing Condition.

4.5 Approval and Vesting Order

The obligations of the Vendor and the Purchaser hereunder are subject to the mutual condition that the Approval and Vesting Order shall have been granted by the Court by the Outside Date, (or such later date agreed upon by the Parties) approving this Agreement and the Transaction and vesting in the Purchaser all the right, title and interest