

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

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Plaintiff

and

**10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND
TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**

Defendants

**SUPPLEMENTARY MOTION RECORD OF THE PLAINTIFF,
CENTURION MORTGAGE CAPITAL CORPORATION**

December 18, 2020

ROBINS APPLEBY LLP
Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

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Lawyers for the Plaintiff

TO: MILLER THOMSON

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Lawyers for the Defendants

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Court File No.: CV-20-00652174-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N:

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Plaintiff

and

10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND
TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE

Defendants

SUPPLEMENTARY AFFIDAVIT OF RYAN BUZZELL

I, **RYAN BUZZELL**, of the Town of Oakville, in the Province of Ontario **MAKE OATH**
AND SAY:

1. I am the Director of Mortgage Investments and Joint Ventures of the Defendant, Centurion Mortgage Capital Corporation ("**Centurion**") and, as such, have knowledge of the matters contained in this Affidavit.
2. I am swearing this affidavit in support of Centurion's motion for an Order appointing BDO Canada Limited ("**BDO**") as receiver over the Defendant, 10268054 Canada Corp. ("**102 Corp.**"), including real property owned by 102 Corp. known municipally as 135 Mandrake Street, Ajax, Ontario (the "**Property**").
3. I am swearing this affidavit to supplement my earlier affidavit sworn December 3, 2020 (the "**First Affidavit**"). For the purposes of this Affidavit, I have adopted all of the defined terms

in the First Affidavit.

The Property

4. The First Affidavit made reference to the encumbrances registered against the Property. Attached as **Exhibit “A”** is the PIN in respect of the Property which sets out the encumbrances described at paragraphs 27 and 28 of the First Affidavit.

Deposits Respecting the Project Held by 102 Corp.'s Lawyer

5. Since swearing the First Affidavit, 102 Corp's real estate lawyers delivered a report in respect of deposits held in trust that relate to agreements of purchase and sale in respect of the Project. The report indicates that 102 Corp's real estate lawyers are holding \$95,000 of deposits in respect of 11 agreements of purchase and sale. The report also indicates that to date, no deposits have been released into the project and as a result there should be no liability or exposure under the excess deposit insurance facility provided by Westmount Guarantee Services Inc. Attached as **Exhibit “B”** is the report provided 102 Corp's real estate lawyers to Centurion on December 4, 2020.

The Misappropriated Funds

6. Since swearing the First Affidavit, Centurion has requested its Quantity Surveyor, Intrepid Quantity Surveying (“**Intrepid**”), to continue to investigate the funds which appear have been to have been misappropriated by the Borrower. As part of this investigation, Intrepid made direct inquiries with the Borrower as where these funds were properly used to fund funding of Development Charges, Parkland Levy and cash security for letters of credit with the Town of Ajax in respect of landscaping and engineering. To date, the Borrower has not responded to this request for

information. Attached as **Exhibit "C"** is the written report of Intrepid in respect of its further investigations into the funds believed to be misappropriated by the Borrower.

SWORN remotely by Ryan Buzzell, of the Town of Oakville, in the Province of Ontario, before me at the City of Waterloo, in the Province of Ontario, on the 18th day of December, 2020, in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*.



Samuel Mosonyi

Commissioner for Taking Affidavits
(or as may be)

Samuel Mosonyi

RSN
RYAN BUZZELL

THIS IS **EXHIBIT "A"** REFERRED TO IN
THE AFFIDAVIT OF **RYAN BUZZELL**
SWORN BEFORE ME ON
THIS 18TH DAY OF DECEMBER, 2020

Samuel Mosonyi
A Commissioner, Notary, Etc.

Samuel Mosonyi

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

PROPERTY DESCRIPTION: BLK 91 PL 40M1378, SAVE & EXCEPT PTS 1 & 2 PL 40R21864, AJAX, REGIONAL MUNICIPALITY OF DURHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 26453-0473

PIN CREATION DATE:
2003/08/20

OWNERS' NAMES
10268054 CANADA CORP.

CAPACITY SHARE

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/CHKD |
|---|------------|-------------------|--------------|--|---|-----------|
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) ** | | | | | | |
| NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY | | | | | | |
| LT258311 | 1986/01/23 | NOTICE AGREEMENT | | | THE CORPORATION OF THE TOWN OF AJAX | C |
| LT258742 | 1986/01/28 | NOTICE AGREEMENT | | | THE REGIONAL MUNICIPALITY OF DURHAM | C |
| LT268257 | 1986/04/29 | NOTICE AGREEMENT | | | THE CORPORATION OF THE TOWN OF AJAX | C |
| LT417675 | 1988/11/09 | NOTICE | | | THE CORPORATION OF THE TOWN OF AJAX | C |
| 40R20665 | 2001/08/24 | PLAN REFERENCE | | | | C |
| 40R21765 | 2003/02/17 | PLAN REFERENCE | | | | C |
| DR431407 | 2005/09/26 | NOTICE | | HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT | | C |
| REMARKS: AIRPORT ZONING REGULATIONS | | | | | | |
| 40R26339 | 2010/03/25 | PLAN REFERENCE | | | | C |
| DR1634930 | 2017/09/07 | TRANSFER | \$2,750,000 | 2489466 ONTARIO LIMITED | 10268054 CANADA CORP. | C |
| REMARKS: PLANNING ACT STATEMENTS. | | | | | | |
| DR1762699 | 2018/12/21 | CHARGE | \$17,500,000 | 10268054 CANADA CORP. | CENTURION MORTGAGE CAPITAL CORPORATION | C |
| DR1762700 | 2018/12/21 | NO ASSGN RENT GEN | | 10268054 CANADA CORP. | CENTURION MORTGAGE CAPITAL CORPORATION | C |
| REMARKS: DR1762699. | | | | | | |
| DR1762723 | 2018/12/21 | CHARGE | \$6,000,000 | 10268054 CANADA CORP. | WESTMOUNT GUARANTEE SERVICES INC. | C |
| DR1809576 | 2019/07/12 | CHARGE | \$500,000 | 10268054 CANADA CORP. | GARRISON HILL DEVELOPMENTS INC. KIMILA TREASURE CAMPBELL GREUX | C |

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

LAND
REGISTRY
OFFICE #40

26453-0695 (LT)

PREPARED FOR Kystra19
ON 2020/11/27 AT 10:48:09

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

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/CHKD |
|-----------|------------|--|-------------|--|--|-----------|
| DR1809577 | 2019/07/12 | NO ASSGN RENT GEN | | 10268054 CANADA CORP. | GARRISON HILL DEVELOPMENTS INC. CAMPBELL GREAX, KIMILA TREASURE | C |
| | | REMARKS: DR1809576 | | | | |
| DR1821027 | 2019/08/22 | CHARGE | \$2,000,000 | 10268054 CANADA CORP. | 2086752 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | C |
| DR1821028 | 2019/08/22 | NO ASSGN RENT GEN | | 10268054 CANADA CORP. | 2086752 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | C |
| | | REMARKS: DR1821027. | | | | |
| DR1821038 | 2019/08/22 | POSTPONEMENT | | GARRISON HILL DEVELOPMENTS INC. KIMILA TREASURE CAMPBELL GREAX | 2086752 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | C |
| | | REMARKS: DR1809576 TO DR1821027 | | | | |
| DR1821039 | 2019/08/22 | POSTPONEMENT | | GARRISON HILL DEVELOPMENTS INC. CAMPBELL GREAX, KIMILA TREASURE | 2086752 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | C |
| | | REMARKS: DR1809577 TO DR1821028 | | | | |
| DR1874554 | 2020/02/26 | CHARGE | \$500,000 | 10268054 CANADA CORP. | DIVERSIFIED CAPITAL INC. | C |
| DR1874555 | 2020/02/26 | RESTRICTION-LAND | | 10268054 CANADA CORP. | | C |
| | | REMARKS: THE OWNER, 10268054 CANADA CAPITAL INC., IS PREVENTED FROM TRANSFERRING OR FURTHER CHARGING THE LANDS WITHOUT PRIOR WRITTEN CONSENT, OF DIVERSIFIED | | | | |
| DR1905814 | 2020/06/29 | APL CH NAME INST | | 2086752 ONTARIO INC. | 5023018 ONTARIO INC. | C |
| | | REMARKS: DR1821027, DR1821028 | | | | |
| DR1905821 | 2020/06/29 | TRANSFER OF CHARGE | | 5023018 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | DIVERSIFIED CAPITAL INC. | C |
| | | REMARKS: DR1821027. | | | | |
| DR1905822 | 2020/06/29 | NO ASSGN RENT GEN | | 5023018 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | DIVERSIFIED CAPITAL INC. | C |
| | | REMARKS: DR1821027. | | | | |
| DR1937533 | 2020/10/22 | CHARGE | \$1,565,000 | 10268054 CANADA CORP. | 5023018 ONTARIO INC. | C |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

THIS IS **EXHIBIT "B"** REFERRED TO IN
THE AFFIDAVIT OF **RYAN BUZZELL**
SWORN BEFORE ME ON
THIS 18TH DAY OF DECEMBER, 2020

Samuel Mosonyi
A Commissioner, Notary, Etc.

Samuel Mosonyi

| MILLER THOMSON ITF Dream Account Number: CIBC 86426969402 UPDATED TO: December 04, 2020 Matter Number : 0223173.0004 | | | | | | | | | | TARION DTA INSTRUMENT | | | | | | | | | | 009 |
|---|---------------------------------|--------------|---------------|----------------|-------------|-------------|--------------|------------------|-------------|------------------------|------------------|-------------|---------------|--------------|------------------|--------------|---------------|-----------------|------------------|-----|
| | | | | | | | | | | NO HOLDBACK REQUIRED | | | | | | | | | | |
| | | | | | | | | | | DEPOSITS | | | RELEASES | | | | | | | |
| Suite | Name | Unit / Level | Purchase Date | Purchase Price | Cheque Date | Cheque Amt. | Deposit Date | Deposit Amt. | Upgrades | Total Deposits to Date | Warranty | Excess | Released Date | (W) Released | (W) Remaining | (E) Released | (E) Remaining | Total Available | | |
| TH15 | 2485215 Ontario Inc. | U15L1 | 3-Oct-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH15 | 2485215 Ontario Inc. | U15L1 | 3-Oct-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH15 | 2485215 Ontario Inc. | U15L1 | 3-Oct-19 | \$600,000.00 | | | | | | 5,000.00 | 5,000.00 | 0.00 | | | 5,000.00 | | 0.00 | 5,000.00 | | |
| TH28 | 2485215 Ontario Inc. | U28L1 | 9-Oct-19 | \$600,000.00 | wire | | 3-Jan-20 | 5,000.00 | | | | | | | | | | | | |
| TH28 | 2485215 Ontario Inc. | U28L1 | 9-Oct-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH28 | 2485215 Ontario Inc. | U28L1 | 9-Oct-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH28 | 2485215 Ontario Inc. | U28L1 | 9-Oct-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH28 | 2485215 Ontario Inc. | U28L1 | 9-Oct-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH28 | 2485215 Ontario Inc. | U28L1 | 9-Oct-19 | \$600,000.00 | | | | | | 5,000.00 | 5,000.00 | 0.00 | | | 5,000.00 | | 0.00 | 5,000.00 | | |
| TH31 | 2599055 Ontario Inc. | U31L1 | 29-Sep-19 | \$600,000.00 | wire | | 3-Jan-20 | 5,000.00 | | | | | | | | | | | | |
| TH31 | 2599055 Ontario Inc. | U31L1 | 29-Sep-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH31 | 2599055 Ontario Inc. | U31L1 | 29-Sep-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH31 | 2599055 Ontario Inc. | U31L1 | 29-Sep-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH31 | 2599055 Ontario Inc. | U31L1 | 29-Sep-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH31 | 2599055 Ontario Inc. | U31L1 | 29-Sep-19 | \$600,000.00 | | | | | | 5,000.00 | 5,000.00 | 0.00 | | | 5,000.00 | | 0.00 | 5,000.00 | | |
| TH34 | 2712694 Ontario Inc. and Rupali | U34L1 | 30-Jul-19 | \$600,000.00 | wire | | 3-Jan-20 | 5,000.00 | | | | | | | | | | | | |
| TH34 | 2712694 Ontario Inc. and Rupali | U34L1 | 30-Jul-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH34 | 2712694 Ontario Inc. and Rupali | U34L1 | 30-Jul-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH34 | 2712694 Ontario Inc. and Rupali | U34L1 | 30-Jul-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH34 | 2712694 Ontario Inc. and Rupali | U34L1 | 30-Jul-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH34 | 2712694 Ontario Inc. and Rupali | U34L1 | 30-Jul-19 | \$600,000.00 | | | | | | 5,000.00 | 5,000.00 | 0.00 | | | 5,000.00 | | 0.00 | 5,000.00 | | |
| TH42 | 2599055 Ontario Inc. | U42L1 | 27-Sep-19 | \$600,000.00 | wire | | 10-Jan-20 | 5,000.00 | | | | | | | | | | | | |
| TH42 | 2599055 Ontario Inc. | U42L1 | 27-Sep-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH42 | 2599055 Ontario Inc. | U42L1 | 27-Sep-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH42 | 2599055 Ontario Inc. | U42L1 | 27-Sep-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH42 | 2599055 Ontario Inc. | U42L1 | 27-Sep-19 | \$600,000.00 | | | | | | | | | | | | | | | | |
| TH42 | 2599055 Ontario Inc. | U42L1 | 27-Sep-19 | \$600,000.00 | | | | | | 5,000.00 | 5,000.00 | 0.00 | | | 5,000.00 | | 0.00 | 5,000.00 | | |
| TOTALS | | | | | | | | 95,000.00 | 0.00 | 95,000.00 | 95,000.00 | 0.00 | | 0.00 | 95,000.00 | 0.00 | 0.00 | 0.00 | 95,000.00 | |

| MILLER THOMSON ITF Dream | | | TARION DTA INSTRUMENT | | | | |
|--------------------------------------|----------------------------|---------------------------------|-----------------------|------------------|--------------------|-----------------|-----------|
| Account Number: CIBC 86426969402 | | | | | | | |
| UPDATED TO: December 04, 2020 | | | | | | | |
| Date | Description | Deposit to Date/ (Withdrawl) | Warranty Amount | Excess Amount | Interest Amount | Bank Charges | Total |
| UPDATED TO: December 04, 2020 | | | | | | | |
| | Total Deposits | 95,000.00 | 95,000.00 | 0.00 | | | |
| Interest | | | | | | | |
| | 4-Jul-19 | | | | 46.03 | | |
| | 6-Aug-19 | | | | 118.97 | | |
| | 5-Sep-19 | | | | 119.15 | | |
| | 3-Oct-19 | | | | 98.18 | | |
| | 6-Nov-19 | | | | 101.61 | | |
| | 4-Dec-19 | | | | 115.84 | | |
| | 7-Jan-20 | | | | 119.90 | | |
| | 5-Feb-20 | | | | 120.09 | | |
| | 4-Mar-20 | | | | 120.98 | | |
| | 3-Apr-20 | | | | 114.39 | | |
| | 4-May-20 | | | | 51.32 | | |
| | 3-Jun-20 | | | | 53.06 | | |
| | 6-Jul-20 | | | | 51.38 | | |
| | 6-Aug-20 | | | | 53.12 | | |
| | 3-Sep-20 | | | | 53.15 | | |
| | 5-Oct-20 | | | | 51.47 | | |
| | 4-Nov-20 | | | | 53.21 | | |
| | 3-Dec-20 | | | | 51.52 | | |
| Totals | | 95,000.00 | 95,000.00 | 0.00 | 1,493.37 | 0.00 | 96,493.37 |
| Spreadsheet Balance | 96,493.37 | | 0.00 | | 1,493.37 | | |
| CIBC bank balance as of 12/04/2020 | 96,493.37 | | | | | | |
| Difference | 0.00 | | | | | | |
| | TOTALS | | | | | | |
| | Deposits | | 95,000.00 | | | | |
| | Plus: Interest | | 1,493.37 | | | | |
| | Less: Bank Chrgs | | 0.00 | | | | |
| | Less: Releases | | 0.00 | | | | |
| | TOTAL PROJECT VALUE | | 96,493.37 | | | | |

Deposits

| | |
|-----------|-----------|
| 19-Jun-19 | 70,000.00 |
| 3-Jan-20 | 25,000.00 |

95,000.00

O/S Cheques or release

0.00

| | |
|---------------------------------------|-----------|
| Total Balance shown on Excel not on t | 96,493.37 |
| Spreadsheet Difference from Summary | 96,493.37 |

Difference 0.00

THIS IS **EXHIBIT "C"** REFERRED TO IN
THE AFFIDAVIT OF **RYAN BUZZELL**
SWORN BEFORE ME ON
THIS 18TH DAY OF DECEMBER, 2020

Samuel Mosonyi

A Commissioner, Notary, Etc.

Samuel Mosonyi



I N T R E P I D
quantity surveying

Mr. Ryan Buzzell
Centurion Mortgage Capital Corporation
25 Sheppard Avenue West, Suite 710
Toronto, ON, M2N 6S6

December 17, 2020

Re: Dream Maker Developments - 135 Mandrake Street, Ajax

Dear Sir,

As per your inquiry regarding the status of the development charges, permit fees, and parkland levy payable to the City of Ajax for the above project, we have issued this letter to confirm the following:

- Mr. Vincent Chung (Director at Intrepid Quantity Surveying Inc.) emailed and left a voicemail to Mr. Steven McReelis (Senior Plans Examiner / Deputy Chief Building Official at the Town of Ajax) on December 3, 2020 to inquire about the status of the full building permit, and if there was anything holding up the approvals.
- Mr. Steven McReelis returned the phone call on the same day, and noted the following:
 - That the Site Plan Agreement is with the Borrower to finalize.
 - That the development charges, parkland levy, and building permit fees have not been paid.
- Mr. Vincent Chung reached out via email to Mr. Isaac Olowolafe on December 16, 2020 to inquire if the development charges, parkland levy and permit fees have been paid. A response has not yet been received as of this letter's date.

We trust that this provides clarity with regards to our communication with the parties.

Sincerely,

Vincent Chung, Director
(416) 628-5346

**CENTURION MORTGAGE - and-
CAPITAL CORPORATION**

10268054 CANADA CORP. ET AL

Plaintiff

Defendants

Court File No.: CV-20-00652174-00CL

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

PROCEEDING COMMENCED AT
TORONTO

**SUPPLEMENTARY AFFIDAVIT OF
RYAN BUZZELL**

ROBINS APPLEBY LLP

Barristers+ Solicitors
2600 - 120 Adelaide Street West
Toronto ON M5H 1T1

Dominique Michaud LSO No.: 56871V

dmichaud@robapp.com
Tel: (416) 360-3795

Samuel Mosonyi LSO No.: 78085A

smosonyi@robapp.com
Tel: (416) 360-3356
Fax: (416) 868-0306

Lawyers for the Plaintiff

Court File No. CV-20-00652174-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Plaintiff

- and -

10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND

TEMITOPE OLOWOLAFRE a.k.a. ISACC OLOWOLAFE

Defendants

REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY

AS PROPOSED RECEIVER

December 16, 2020

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| Project Photographs taken December 3, 2020 | B |
| Proposed Marketing and Sale Process Overview and Timelines | C |

INTRODUCTION AND PURPOSE OF THIS REPORT

Introduction

1. BDO Canada Limited ("BDO") understands that Centurion Mortgage Capital Corporation ("Centurion" or the "Plaintiff") intends to bring an application before this Honourable Court seeking relief under section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3, as amended ("BIA") and section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended ("CJA"), appointing BDO as receiver and manager (in such capacity, the "Receiver") over all of the assets, undertakings and properties (collectively, the "Assets") of 10268054 Canada Corp. (the "Company" or "102 Corp.") in such proceeding.
2. BDO has provided its consent to act as Receiver (the "Consent") should this Honourable Court grant the Plaintiff's request to appoint a Receiver over the Company's Assets. A copy of the Consent is included as Tab 2, Appendix "S" to the Plaintiff's motion record.
3. The proceeding to be commenced by the Plaintiff pursuant to the BIA and CJA are referred to herein as the "Receivership Proceeding".

Background

4. The Company's principal asset is a partially completed 2 and 3 storey, 42 unit stacked condominium townhouse complex development known as 135 Mandrake Street (the "Project"). The Project consists of approximately 39,084 square feet of net saleable area plus 49 above grade parking spaces on a 1.05 acre lot. A legal description of the Project lands, municipally known as 184-188 Salem Road (formerly 135 Mandrake Street), Ajax, Ontario (the "Real Property") is included hereto as Appendix "A".

-4-

5. The proposed Receiver understands that 102 Corp. is a single purpose entity incorporated in Canada by Dream Maker Developments Inc. for the sole purpose of developing the Project. The Project is listed as "Project #5" on the Dream Maker Developments Inc. website with the following Uniform Resource Locator "URL": <https://www.dreammakerrealty.ca/pages/4722/Dream-Maker-Developments-Inc>.
6. The Project is currently under construction and it appears from recent photographs taken by the proposed Receiver on December 2, 2020, that certain site servicing work appears completed and a concrete foundation has been poured. Photographs taken by the proposed Receiver are included hereto as Appendix "B".
7. The proposed Receiver understands that approximately 11 condominium units have been pre-sold (the "Pre-Construction Sales") and agreement of purchase and sale have been executed between 102 Corp. and the condominium unit purchasers. The Company's solicitor, Miller Thomson LLP, currently holds \$95,000, in trust in respect of the deposits received from the Pre-Construction Sales.
8. Pursuant to Paragraph 3(k) of the Commercial List Model Receivership Order, a receiver is authorized to sell, convey, transfer, lease or assign any or all of the property, including advertising and soliciting offers in respect of the property or any part or parts thereof and negotiating such terms and conditions of sale as the receiver, in its discretion, may deem appropriate.

Purpose

9. The purpose of the this pre-filing report of the proposed Receiver dated December 16, 2020 (the "Pre-filing Report") is to provide this Honourable Court with further background information related to additional relief sought by the Plaintiff should this Honourable Court approve the appointment of a Receiver over the Company's Assets including:

- (a) that the Court contemporaneously approve the proposed Receiver's intended marketing and sale process for the Project (the "Sale Process"), as set out in this Pre-filing Report to reduce the number of court appearances in the Receivership Proceeding to reduce receivership costs while also limiting the carrying costs associated with the Real Property.

Disclaimer

10. BDO has reviewed the sworn affidavit of Ryan Buzzell dated December 3, 2020 (the "Buzzell Affidavit").
11. BDO has relied upon the financial records and financial statements of 102 Corp., as well as other information supplied by management, accountants, auditors and financial advisors to 102 Corp. Our procedures and enquiries did not constitute an audit or review engagement. BDO assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, re-production or use of the Pre-filing Report (defined below). Any use which any party, other than the Court, makes of this Pre-filing Report or any reliance on or a decision made based upon it is the responsibility of such party.
12. Capitalized terms not defined in this report are as defined in the Buzzell Affidavit filed in support of the Plaintiff's motion to appoint a receiver over the the Company's Assets. This report should be read in conjunction with the Buzzell Affidavit as certain information contained in the Buzzell Affidavit has not been included herein in order to avoid unnecessary duplication.
13. Unless otherwise stated, all monetary amounts contained in Pre-Filing Report are expressed in Canadian dollars.

PROPOSED MARKETING AND SALE PROCESS

14. In addition to seeking the appointment of a Receiver over the Company's Assets, the Plaintiff is seeking this Court's approval of the proposed Sale Process, the details of which are set out in detail below.

15. The proposed Receiver has developed the Sale Process to solicit bids by a set bid deadline. The proposed Receiver is of the view that the proposed Sale Process balances the need to have a sale accomplished in a reasonable time frame to limit the carrying costs of the Real Property with the desire to properly expose the Project to the marketplace to maximize recovery for the creditors.

Overview

16. The proposed Sale Process, including the proposed timelines, is annexed hereto as Appendix "C", and will consist of the following steps:
 - (a) preparing a list of developers and other identified potential strategic buyers, who will be contacted by telephone or email with a "teaser letter" describing the development/investment opportunity;
 - (b) creating a website promoting the Sale Process, which will be accessed through the website that the proposed Receiver creates to provide access to all public Court documents in the Receivership Proceeding, namely, URL: [https://www.extranets.bdo.ca/10268054 Canada Corp](https://www.extranets.bdo.ca/10268054%20Canada%20Corp);
 - (c) advertising the development/investment opportunity in the national edition of the Globe & Mail on two separate occasions;
 - (d) advertising the development/investment opportunity in the "Daily Commercial News" construction gazette;
 - (e) advertising the development/investment opportunity in the NRU GTA Weekly Newsletter;
 - (f) advertising the development/investment opportunity on the MLS and/or ICX website through a third party provider;

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- (g) preparing a form of confidentiality agreement and a confidential information memorandum (the "CIM") to invite offers to purchase the Project, which will include a summary of the opportunity and the terms and conditions of sale (the "Terms and Conditions");
- (h) the Terms and Conditions included in the CIM will request that non-binding bids be submitted no later than 5:00 pm (Toronto time) on Friday, March 12, 2021 (the "Non-Binding APA Deadline") in accordance with the proposed Sale Process, which will require the following:
- the identity of the purchaser;
 - the total dollar value of the bid submitted;
 - a deposit equal to 5% of the offer price; and
 - evidence of financial wherewithal to complete the transaction.
- (i) pre-qualifying bidders and ensuring they execute the confidentiality agreement prior to being granted access to the Receiver's encrypted virtual electronic data room (the "Data Room"), which will contain, among other things: (i) the CIM and financial information relevant to the Project; (ii) other pertinent site and development information relevant to the Project, and (iii) a template asset purchase agreement;
- (j) coordinating site visits to the Real Property;
- (k) responding to additional information requests and questions regarding the Project;
- (l) receiving and refining bids and selecting a winning bidder;

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(m) allowing qualified bidders a limited due diligence period; and

(n) finalizing an agreement of purchase and sale and preparing to seek Court approval of the selected bid.

Proposed Sale Process Timeline

17. Set out below is the proposed Sale Process timeline (capitalized terms are as defined in the Sale Process):

| Date(s) | Summary of Sale Process Step(s) |
|---|---|
| Friday, January 15, 2021 to Friday, January 29, 2021 (2 weeks) | Set up encrypted virtual data room and website Complete CIM Prepare marketing materials and teaser letter Assemble target lists |
| Monday, February 1, 2021 to Friday, March 12, 2021 (6 weeks) | Contact interested parties and distribute teaser letter Delivery of executed confidentiality agreements and grant access to encrypted data room Marketing efforts as set out in paragraph 16 (b) to (g) above Potential Bidder meetings Co-ordinate site visits |
| Friday, March 12, 2021 | Non-Binding APA Deadline - 5:00 pm (Eastern Standard Time) |
| Monday, March 15, 2021 to Friday, March 19, 2021 (1 week) | Review and evaluate Non-Binding APAs Negotiate Non-binding APAs Qualify Phase II Qualified Bidders |
| Monday, March 22, 2021 to Friday, April 2, 2021 (2 weeks) | Phase II Qualified Bidder due diligence period Co-ordinate any legal and tax issues Assist in any reasonable diligence requests |
| Friday, April 2, 2021 | Binding APA Deadline - 5:00 pm (Eastern Standard Time) |
| Monday, April 5, 2021 to Friday, April 9, 2021 (1 week) | Selection of Successful APA, and finalization and execution of Successful APA |

| Date(s) | Summary of Sale Process Step(s) |
|------------------------------------|--|
| Friday April 23, 2021 (2 weeks) | Court approval of Successful APA and transaction |
| Tuesday, May 4, 2021 (11 days) | Closing |

18. The proposed Sale Process is expected to take 15 weeks or just under 4 months to complete should the Court approve the Sale Process.
19. Although the proposed Receiver's intended course of action is to run its Sale Process with a bid deadline, the proposed Receiver also seeks the flexibility to be able to accept any bid received at any time, terminate the Sale Process at any time and immediately enter into discussions with a bidder with a view to finalizing the transaction contemplated by such bid.
20. The market of likely buyers for the Project may be relatively limited to residential property developers in this instance and can be readily identified by the proposed Receiver. The Project's attributes do not appear to lend themselves to being simply listed on MLS alone as would be the case if selling the Real Property through a real estate broker. The Receiver's proposed Sale Process provides for the comparison of multiple offers inherently maximizing asset value. The proposed Receiver's Sale Process will also set to limit the due diligence period required by prospective purchasers during which time the property would essentially be "off the market" if being sold by a real estate broker.
21. The proposed Receiver is of the view that the proposed Sale Process represents a reasonable and commercially efficient process which allows a sufficient opportunity to optimize the chances of securing the best possible price for the Project for the benefit of the Company's creditors as a whole.

PROPOSED RECEIVER'S RECOMMENDATIONS

22. Should this Honourable Court appoint a Receiver over the Company's Assets, the proposed Receiver recommends:

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(a) that the Court also contemporaneously approve the proposed Sale Process as set out in this Pre-Filing Report; and

(b) that the Court grant such further and other relief as it may deem just.

All of which is respectfully submitted this 16th day of December, 2020.

BDO CANADA LIMITED,

Per:



Name: Gary Cerrato, CIRP, LIT
Title: Vice President

APPENDIX A

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

PROPERTY DESCRIPTION: BLK 91 PL 40M1378, SAVE & EXCEPT PTS 1 & 2 PL 40R21864, AJAX, REGIONAL MUNICIPALITY OF DURHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 26453-0473

PIN CREATION DATE:
2003/08/20

OWNERS' NAMES
10268054 CANADA CORP.

CAPACITY SHARE

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/CHKD |
|--|------------|-------------------|--------------|--|---|-----------|
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) ** | | | | | | |
| NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY | | | | | | |
| LT258311 | 1986/01/23 | NOTICE AGREEMENT | | | THE CORPORATION OF THE TOWN OF AJAX | C |
| LT258742 | 1986/01/28 | NOTICE AGREEMENT | | | THE REGIONAL MUNICIPALITY OF DURHAM | C |
| LT268257 | 1986/04/29 | NOTICE AGREEMENT | | | THE CORPORATION OF THE TOWN OF AJAX | C |
| LT417675 | 1988/11/09 | NOTICE | | | THE CORPORATION OF THE TOWN OF AJAX | C |
| 40R20665 | 2001/08/24 | PLAN REFERENCE | | | | C |
| 40R21765 | 2003/02/17 | PLAN REFERENCE | | | | C |
| DR431407 | 2005/09/26 | NOTICE | | HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT | | C |
| REMARKS: AIRPORT ZONING REGULATIONS | | | | | | |
| 40R26339 | 2010/03/25 | PLAN REFERENCE | | | | C |
| DR1634930 | 2017/09/07 | TRANSFER | \$2,750,000 | 2489466 ONTARIO LIMITED | 10268054 CANADA CORP. | C |
| REMARKS: PLANNING ACT STATEMENTS. | | | | | | |
| DR1762699 | 2018/12/21 | CHARGE | \$17,500,000 | 10268054 CANADA CORP. | CENTURION MORTGAGE CAPITAL CORPORATION | C |
| DR1762700 | 2018/12/21 | NO ASSGN RENT GEN | | 10268054 CANADA CORP. | CENTURION MORTGAGE CAPITAL CORPORATION | C |
| REMARKS: DR1762699. | | | | | | |
| DR1762723 | 2018/12/21 | CHARGE | \$6,000,000 | 10268054 CANADA CORP. | WESTMOUNT GUARANTEE SERVICES INC. | C |
| DR1809576 | 2019/07/12 | CHARGE | \$500,000 | 10268054 CANADA CORP. | GARRISON HILL DEVELOPMENTS INC. KIMILA TREASURE CAMPBELL GREUX | C |

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

LAND
REGISTRY
OFFICE #40

26453-0695 (LT)

PREPARED FOR Kystra19
ON 2020/11/27 AT 10:48:09

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

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/CHKD |
|-----------|------------|--|-------------|--|--|-----------|
| DR1809577 | 2019/07/12 | NO ASSGN RENT GEN | | 10268054 CANADA CORP. | GARRISON HILL DEVELOPMENTS INC. CAMPBELL GREAX, KIMILA TREASURE | C |
| | | REMARKS: DR1809576 | | | | |
| DR1821027 | 2019/08/22 | CHARGE | \$2,000,000 | 10268054 CANADA CORP. | 2086752 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | C |
| DR1821028 | 2019/08/22 | NO ASSGN RENT GEN | | 10268054 CANADA CORP. | 2086752 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | C |
| | | REMARKS: DR1821027. | | | | |
| DR1821038 | 2019/08/22 | POSTPONEMENT | | GARRISON HILL DEVELOPMENTS INC. KIMILA TREASURE CAMPBELL GREAX | 2086752 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | C |
| | | REMARKS: DR1809576 TO DR1821027 | | | | |
| DR1821039 | 2019/08/22 | POSTPONEMENT | | GARRISON HILL DEVELOPMENTS INC. CAMPBELL GREAX, KIMILA TREASURE | 2086752 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | C |
| | | REMARKS: DR1809577 TO DR1821028 | | | | |
| DR1874554 | 2020/02/26 | CHARGE | \$500,000 | 10268054 CANADA CORP. | DIVERSIFIED CAPITAL INC. | C |
| DR1874555 | 2020/02/26 | RESTRICTION-LAND | | 10268054 CANADA CORP. | | C |
| | | REMARKS: THE OWNER, 10268054 CANADA CAPITAL INC., IS PREVENTED FROM TRANSFERRING OR FURTHER CHARGING THE LANDS WITHOUT PRIOR WRITTEN CONSENT, OF DIVERSIFIED | | | | |
| DR1905814 | 2020/06/29 | APL CH NAME INST | | 2086752 ONTARIO INC. | 5023018 ONTARIO INC. | C |
| | | REMARKS: DR1821027, DR1821028 | | | | |
| DR1905821 | 2020/06/29 | TRANSFER OF CHARGE | | 5023018 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | DIVERSIFIED CAPITAL INC. | C |
| | | REMARKS: DR1821027. | | | | |
| DR1905822 | 2020/06/29 | NO ASSGN RENT GEN | | 5023018 ONTARIO INC. SACCUCCI, EMILIO SACCUCCI, CONCETTA | DIVERSIFIED CAPITAL INC. | C |
| | | REMARKS: DR1821027. | | | | |
| DR1937533 | 2020/10/22 | CHARGE | \$1,565,000 | 10268054 CANADA CORP. | 5023018 ONTARIO INC. | C |

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

APPENDIX B





APPENDIX C

Sale Process

Set forth below is the sale process (the “**Sale Process**”) to be employed with respect to the proposed sale of all or substantially all of the business and assets (the “**Assets**”) of 10268054 Canada Corp. (the “**Company**” or “**102 Corp.**”).

On January 14, 2021, Centurion Mortgage Capital Corporation is bringing a motion before the Ontario Superior Court of Justice (the “**Court**”) to have an Order issued (the “**Receivership Order**”), appointing BDO Canada Limited as the receiver and manager (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of the Company.

Pursuant to the Receivership Order, the Receiver is authorized to market, advertise and solicit offers in respect of the sale, in whole or in part, of the Assets.

The Sale Process is intended to solicit interest in an acquisition of the Assets, under a fair and competitive sale process pursuant to which all qualified interested parties will be provided with a fair and equal opportunity to participate in the Sale Process.

Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Assets, or any portion thereof, outside of the Sale Process prior to the selection of a Successful Bidder (as defined herein).

Timeline

The following table sets out the key milestones under the Sale Process:

| Milestone | Deadline |
|--------------------------|-----------------|
| Non-Binding APA Deadline | March 12, 2021 |
| Binding APA Deadline | April 2, 2021 |
| Sale Approval Motion | April 23, 2021 |
| Closing Date | May 4, 2021 |

Subject to the terms contained herein and any order of the Court, the dates set out in the Sale Process may be extended by the Receiver, in its sole discretion acting reasonably, all with a view of maximizing the value of the Assets.

Sale Process

The Sale Process set forth herein describes, among other things: (i) the Assets available for sale, (ii) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Assets, (iii) the manner in which bidders can be determined to be a Phase 1 Qualified Bidder (as defined herein), (iv) the timing of delivering a Non-Binding APA (as defined herein), (v) the manner in which bids are to be received and negotiated, (vi) the ultimate selection of any Successful Bidder (as defined herein) and the process leading up to that selection, and (vii) the approval thereof by the Court.

Assets To Be Sold

The Receiver, in accordance with this Sale Process, is offering for sale, in one or more transactions, the Assets. The Receiver reserves the right to eliminate certain assets available for sale pursuant to the Sale Process prior to the Non-Binding APA Deadline (as defined below).

“As Is, Where Is”

The sale of the Assets will be on an “as is, where is” basis without representations or warranties of any kind, nature or description by the Receiver, or any of their respective directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Binding APA (as defined herein), and approved by the Court. By submitting a bid, each Potential Bidder (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Binding APA and approved by the Court.

Free Of Any And All Claims And Interests

Except as may otherwise be provided in the Successful Bidder's Binding APA, all of the rights, title and interests of 102 Corp. in and to the Assets, or any portion thereof, will be sold free and clear of all liens and claims (which may be defined in an Approval and Vesting Order (as defined herein)), subject to any permitted encumbrances (which may be defined in an Approval and Vesting Order), pursuant to an order by the Court approving the sale of the Assets, or a portion thereof, and vesting in the Successful Bidder all of 102 Corp.'s rights, title and interests in and to such Assets, or a portion thereof, by way of an approval and vesting order (the “**Approval and Vesting Order**”). For greater certainty, such liens and claims are to attach to the net proceeds of the sale of such Assets following the granting of the Approval and Vesting Order.

Publication Notice

Within seven (7) business days of the granting of the Sale Process order by the Court (the “**Sale Process Order**”), or as soon as practicable thereafter the Receiver shall publish notice of this Sale Process: (i) in The Globe and Mail (National Edition), the Daily Commercial News, the NRU GTA Weekly Newsletter, the MLS and / or ICX (through a third party provider), and (ii) in any other relevant publication that may advertise and potentially solicit interest in the Assets.

Solicitation of Interest

As soon as reasonably practicable after the granting of the Sale Process Order, the Receiver will prepare an initial offering summary (the “**Teaser Letter**”) notifying prospective purchasers of the existence of the Sale Process and inviting prospective purchasers to express their interest in making an offer for the Assets pursuant to the terms of the Sale Process.

Participation Requirements

Unless otherwise ordered by the Court or as otherwise determined by the Receiver, each person who wishes to participate in the Sale Process, (a “**Potential Bidder**”) must deliver to the Receiver, an executed non-disclosure agreement (“**NDA**”), in the form attached herein as **Schedule “A”**, prior to the distribution of any confidential information by the Receiver.

If it is determined by the Receiver, in its reasonable business judgment, that a Potential Bidder: (i) has a *bona fide* interest in an acquisition of the Assets; and (ii) has delivered the NDA, then such Potential Bidder will be deemed by the Receiver to be a **"Phase 1 Qualified Bidder"**.

The Receiver will prepare and send to each Phase 1 Qualified Bidder, as soon as reasonably practicable, a confidential information memorandum which will provide, among other things, information considered relevant to the Sale Process.

Due Diligence

The Receiver, in its reasonable business judgment, and subject to competitive and other business considerations, may give each Phase 1 Qualified Bidder, such access to due diligence materials and information relating to the Assets as the Receiver deems appropriate. Due diligence access may include access to an electronic data room (a **"Data Room"**), on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and as to which the Receiver, in its reasonable business judgment, may agree. The Receiver may designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. Neither the Receiver nor any of its affiliates (or any of its respective representatives) will be obligated to furnish any information relating to the Assets to any person, in its discretion. The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise, except as may be set forth in a Binding APA with the Successful Bidder.

Non-Binding APA Deadline

A Phase 1 Qualified Bidder that desires to make a bid shall deliver written copies of its bid, in the form of the template asset purchase agreement located in the Data Room (the **"APA"**), together with a blackline outlining all changes made to the APA (a **"Non-Binding APA"**), to the Receiver as follows: **[TBD]** so as to be received by the Receiver no later than March 12, 2021 at 5:00 p.m. (ET) (as may be extended as set out below, the **"Non-Binding APA Deadline"**). The Receiver, may extend the Non-Binding APA Deadline, once or successively, but is not obligated to do so. If the Non-Binding APA Deadline is extended, the Receiver will promptly notify all Phase 1 Qualified Bidders.

Qualified APA

A Non-Binding APA will be considered a qualified APA only if the Non-Binding APA is submitted by a Phase 1 Qualified Bidder and complies with all of the following (a **"Qualified APA"**):

- (a) the bid (either individually or in combination with other bids that make up one Qualified APA) is an offer to purchase some or all of the Assets on terms and conditions reasonably acceptable to the Receiver;
- (b) it is duly authorized and executed, and includes a purchase price for the Assets expressed in Canadian dollars (the **"Purchase Price"**), together with all exhibits, schedules and all applicable ancillary agreements thereto;
- (c) it includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a reasonable determination as to the Phase 1 Qualified Bidder's financial and other capabilities to consummate the proposed sale and pay the Purchase Price;
- (d) it provides all of the conditions associated with unperformed due diligence that is required to be conducted in order to proceed with a Binding APA. For greater certainty, such conditions cannot relate to any financing condition;

- (e) it fully discloses the identity of each entity that will be bidding for the Assets or otherwise sponsoring, financing, participating or benefiting from such bid;
- (f) it includes an acknowledgement and representation of the Phase 1 Qualified Bidder that:
 - (i) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and
 - (ii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith;
- (g) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Phase 1 Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution and delivery of the Qualified APA submitted by the Phase 1 Qualified Bidder;
- (h) provides a deposit in the amount of not less than 5% of the Purchase Price offered by the Phase 1 Qualified Bidder (the "**Deposit**"); and
- (i) it is received by the Receiver by the Non-Binding APA Deadline.

The Receiver may determine whether to entertain bids for the Assets that do not conform to one or more of the requirements specified herein and deem such bids to be a Qualified APA.

The Receiver shall notify each Phase 1 Qualified Bidder in writing as to whether such Phase 1 Qualified Bidder's APA constituted a Qualified APA within five (5) business days following the expiration of the Non-Binding APA Deadline, or at such later time as the Receiver deems appropriate. If such notification is provided, then such Phase 1 Qualified Bidder will be deemed to be a "**Phase 2 Qualified Bidder**".

If the Receiver is not satisfied with the number or terms of bids submitted by the Non-Binding APA Deadline, the Receiver may extend the Non-Binding APA Deadline or cancel the Sale Process.

Binding APA Deadline

The Receiver will take all reasonable steps to negotiate and assist Phase 2 Qualified Bidder(s) in completing its unperformed due diligence, or any other bid matters including any discussions or negotiations required to be completed with any stakeholders in the receivership proceedings of 102 Corp., with a view of submitting: (i) a further binding APA (a "**Binding APA**") on or before April 2, 2021 (the "**Binding APA Deadline**"), and (ii) a blackline outlining all changes made to the APA, for consideration by the Receiver. For greater certainty, a Binding APA shall:

- (a) be delivered to the Receiver prior to the Binding APA Deadline;
- (b) replace and supersede the Non-Binding APA submitted by a Phase 2 Qualified Bidder;
- (c) comply with all of the requirements set forth in respect of a Qualified APA;
- (d) include a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable and open for acceptance until the Successful APA (as defined herein) is selected by the Receiver;
- (e) include written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;

- (f) not to be conditioned on: (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, and/or (ii) obtaining financing;
- (g) fully disclose the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (h) provide the Deposit (as may be adjusted);
- (i) include acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Assets and 102 Corp. prior to making its bid, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith; and
- (j) the bid contemplates closing the transaction set out therein on or before May 4, 2021 (the “**Closing Date**”).

The Receiver may determine whether to entertain bids for the Assets that do not conform to one or more of the requirements specified herein and deem such bids to be a Binding APA.

Evaluation of Binding APA

A Binding APA will be valued based upon several factors including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the counterparties to such transactions, the proposed transaction documents, other factors affecting the speed and certainty of the closing of the transaction, the value of the transaction, the assets included or excluded from the bid, the transition services required from the Receiver (if any), any related transaction costs, and the likelihood and timing of consummating such transactions, each as determined by the Receiver.

Each Phase 2 Qualified Bidder shall comply with all reasonable requests for additional information by the Receiver regarding the Phase 2 Qualified Bidder or the Binding APA. Failure of a Phase 2 Qualified Bidder to comply with requests for additional information will be a basis for the Receiver to reject a Binding APA.

Selection of Successful APA

The Receiver will review and evaluate each Binding APA. Each Binding APA may be negotiated by the Receiver and the applicable Phase 2 Qualified Bidder submitting the Binding APA (the “**Unconditional Bidder**”), and may be amended, modified or varied to improve such Binding APA and as a result of such negotiations, the Receiver may: (i) identify the highest or otherwise best offer for the Assets (the “**Successful APA**”, and the Unconditional Bidder making such Successful APA, the “**Successful Bidder**”), or (ii) in the event no Successful Bidder is declared, reject each Binding APA and may ask any Unconditional Bidder to resubmit a revised Binding APA. The determination of a Successful APA by the Receiver, shall be subject to approval by the Court.

Notwithstanding the foregoing, a Binding APA may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful APA being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful APA being determined shall result in the forfeiture of such Unconditional Bidder’s deposit as liquidated damages and not as a penalty.

In the event an Unconditional Bidder is not selected as a Successful Bidder, the Deposit shall be returned to the Unconditional Bidder as soon as reasonably practicable.

The Receiver shall have no obligation to select a Successful APA, and it reserves the right to reject any or all Binding APAs.

Sale Approval Motion Hearing

The motion for an order of the Court approving any Successful APA (the "**Sale Approval Motion**") shall be sought and include, among other things, the approval from the Court to consummate the Successful APA. The Sale Approval Motion shall be heard on or before April 23, 2021.

All of the Binding APAs other than the Successful APA, if any, shall be deemed rejected by the Receiver on and as of the date of closing of the transaction contemplated by the Successful APA.

Reservation of Rights

The Receiver may: (a) determine which Binding APA, if any, is the highest or otherwise best offer; (b) reject at any time before the issuance and entry of an order approving a Binding APA, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Assets.

Miscellaneous

This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

Except as provided in the Sale Process Order and Sale Process, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Process Order and the Sale Process.

Limitation of Liability

The Receiver shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, 102 Corp., or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a bid, each Potential Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.

Schedule "A"
Non-Disclosure Agreement

PRIVATE & CONFIDENTIAL

► **[Potential Bidder Organization Name and Address]**

Dear Sirs:

Re: Confidential Information with respect to 10268054 Canada Corp. (the "Debtor")

In accordance with the terms of the Sale Process approved by the Ontario Superior Court of Justice (Commercial List) on _____ (the "**Sale Process**") you have requested access to due diligence and other materials relating to the business and assets (the "**Assets**") of the Debtor, such access to be coordinated by BDO Canada Limited, in its capacity as the Court-appointed Receiver in the receivership proceedings (the "**Receivership Proceedings**") of the Debtor (the "**Receiver**"). You will treat confidentially any information the Receiver or its representatives furnish to you in connection with the Assets (the "**Evaluation Material**"), provided, however, that the term "Evaluation Material" does not include information that: (a) was or becomes generally available to the public or to you on a non-confidential basis through no fault or breach of this agreement on your part or on the part of any of your directors, officers, employees or agents (including investment bankers, financing sources, accountants, and attorneys) (all such directors, officers, employees or agents referred to collectively as, "**Representatives**"); (b) was independently developed by you or your affiliates without reference to the Evaluation Material; or (c) was provided to you by a third party not known to you, after due inquiry, to be subject to confidentiality obligations.

You shall use the same degree of care as you use to protect your own confidential information of a similar nature, but not less than reasonable care, to prevent the unauthorized use, dissemination or publication of the Evaluation Material.

You agree that you will not use the Evaluation Material for any purpose other than evaluating your interest in purchasing some or all of the Assets; provided, however, that you may disclose any Evaluation Material to your Representatives who need to know such information for the purpose of evaluating the possible purchase of the Assets (it being understood that you shall inform such Representatives of the confidential nature of such information and that, by receiving such information, they agree to abide by the terms this Agreement), provided that you will be responsible for any breach of the provisions of this Agreement by any such Representatives.

Upon gaining access to the Evaluation Material, you will not contact any director, officer, employee or stakeholder of the Debtor or its affiliates with respect to the Evaluation Material or any other matter contemplated in this Agreement, without the express consent of the Receiver. In the event you are deemed a "Phase 2 Qualified Bidder" in accordance with the terms of the Sale Process, the Receiver may assist and coordinate meetings, discussions, and other communications between you and the aforementioned parties, all with a view of assisting you in submitting a "Binding APA" pursuant to the Sale Process.

In the event that you are required by applicable law or legal process or regulatory body or agency to disclose any part of the Evaluation Material, you will, to the extent permitted by law, give the Receiver prompt notice of such request so that the Receiver may seek an appropriate protective order. If in the absence of a protective order you are nonetheless compelled to disclose any part of the Evaluation Material, you may

disclose such information (but only to the extent necessary to comply with your legal obligations) without liability hereunder, provided, however, that you give the Receiver written notice of the information to be disclosed as far in advance of its disclosure as is practicable and legally permitted. Upon the Receiver's request, you will use your commercially reasonable efforts to obtain assurances that confidential treatment will be accorded to such information.

Upon the Receiver's written request, you shall return promptly to the Receiver or destroy all copies of the Evaluation Material and you shall provide promptly a written certificate to the Receiver confirming your compliance with this Agreement. Notwithstanding the foregoing, on written notice to the Receiver concurrently with the provision of the aforementioned written certificate, you may retain a copy of the Evaluation Material to the extent required in order to comply with regulatory and internal record retention requirements.

You agree that (a) the Receiver reserves the right, in its reasonable business judgment, and subject to competitive and other business considerations, to decline access to all or part of the Evaluation Material, and (b) the Receiver reserves the right to reject any and all offers for the Assets or to terminate discussions and negotiations with you at any time all in accordance with the terms of the Sale Process. The exercise by the Receiver of these rights shall not affect the enforceability of any provision of this Agreement.

You acknowledge and agree that neither the Debtor nor the Receiver nor their representatives have made or make any representation or warranty as to the accuracy or completeness of the Evaluation Material. You agree that neither the Debtor nor the Receiver nor their representatives shall have any liability to you or any of your Representatives resulting from the use of, or reliance on, the Evaluation Material. You agree that if you determine to engage in a transaction with the Receiver, such determination will be based solely on the terms of any definitive written agreement covering that transaction and on your own investigation, analysis and evaluation of the transaction.

You agree that damages may not be a sufficient remedy for any breach of this Agreement by you or your Representatives, and that in addition to all other remedies, the Receiver shall be entitled to seek specific performance, injunctive relief or other equitable relief as a remedy for any such breach.

You agree that this Agreement, and any rights of the Debtor or Receiver hereunder, shall inure to the benefit of any party that enters into a transaction contemplated by the Sale Process.

The Receiver may disclose the existence of this agreement, the identities of the parties hereto and any other information in respect of this agreement, or a transaction proposed by any party hereto, to the extent required in connection with the Receivership Proceedings or applicable laws, to any other person.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. This Agreement and the rights and obligations of the parties will terminate two years from the date hereof.

Please indicate your agreement with the foregoing by signing and returning one copy of this agreement to:

[BDO CANADA LIMITED CONTACT INFORMATION]

Yours very truly,

**10268054 CANADA CORP., by its court
appointed receiver BDO Canada Limited., and
not in any other capacity**

Per: _____

Name:

Title:

Confirmed and agreed to this _____ day of _____, 2021

▶ **[Potential Bidder Organization Name]**

Per: _____

Name:

Title:

(I have the authority to bind the corporation)

Court File No: CV-20-006521714-00CL

CENTURION MORTGAGE CAPITAL CORPORATION

- and -

10268054 CANADA CORP. ET AL

Plaintiff

Defendants

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

PROCEEDING COMMENCED AT TORONTO

**FIRST REPORT OF BDO CANADA LIMITED, IN ITS
CAPACITY AS PROPOSED COURT APPOINTED RECEIVER**

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Lawyers for the Receiver

**CENTURION MORTGAGE - and-
CAPITAL CORPORATION**

10268054 CANADA CORP. ET AL

Plaintiff

Defendants

Court File No.: CV-20-006521714-00CL

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

PROCEEDING COMMENCED AT TORONTO

**SUPPLEMENTARY MOTION RECORD OF THE
PLAINTIFF, CENTURION MORTGAGE
CAPITAL CORPORATION**

ROBINS APPLEBY LLP

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