

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Trez Capital et al Plaintiff(s)
AND
2481043 Ontario Inc Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:
(See attached)	(list)	

- Order Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: _____
- Time Table approved (as follows):

The Receiver brings this motion for an ~~an~~ ^{an} Approval and Vesting order seeking, amongst other things, approval of No sales transaction.

The Applicants support the motion. No ^{an} interested party opposes.

The Resp seeks an adjournment of two weeks claiming it has another potential, more favourable deal.

24 May 18
Date

[Signature]
Judge's Signature

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Judges Endorsment Continued

involving financing but needs some time to complete all steps required to obtain Mill financing.

I am not prepared to grant the adjournment and grant the order sought as per the draft which I have signed.

I have come to this conclusion for a number of reasons, primarily as follows:

- The building has been encumbered for the most part since its purchase by the Resp in 2016

- The Applicant & Resp entered into a number of forbearance agreements all of which went unfulfilled by the Resp.

- In the past the Resp has claimed it had financing and it never materialized

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Judges Endorsment Continued

• In Dec/17 the Resp. brought a motion after several indulgences over ~~for~~ ^{for} several months to obtain an injunction to restrain the Receivership and for an adjournment.

Justice Conway refused both.

• The purported tentative offer, unattached to an affidavit (for that matter no affidavit evidence was filed), is conditional and it is highly questionable that the conditions - particularly the \$35,000,000.00 appraisal requirement ~~the~~ ^{can} can be met (in light of a comparison with the confidential offers received).

• The materials filed by the Applicants unsworn, disclose a history of repeated contractual breaches.

• The Receiver has conducted a robust sales process; the successful bidder has invested money in the

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Judges Endorsment Continued

Process

• In keeping with the principles set out in Sound Air the integrity of the system must be maintained when a fair process is carried out.

• The Applicant will suffer a shortfall if the current sales proceeds, nonetheless they submit they have "zero" confidence in the Resp's ability to rebalance

• I do not accept Mr Tian's promise to indemnify ^{the purchaser} is the deal he proposes. Calls through in light of the above.

In all of these circumstances the appeal & vesting order should go. I have reviewed it and it is reasonable. A sealing order shall also go with respect to the confidential proceedings brief as the Serra Club condition is met.

Court File Number: _____

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The Order for Ancillary Relief is
also reasonable and shall go as per
the draft filed & signed (this order
includes the sealing order). Fees sought
are reasonable.

M. E. T.

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Judges Initials M