

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

-and-

RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.

Respondents

**THIRD REPORT TO THE COURT SUBMITTED BY MNP LTD.,
RECEIVER**

August 26, 2024

Table of Contents

	<u>Page</u>
1.0 Introduction.....	2
1.1 Introduction and purpose of report	2
1.2 Purpose of Receiver’s Third Report	3
2.0 Receiver’s Activities Since the Second Report.....	5
2.1 Residential Units.....	5
2.2 Commercial Unit.....	5
2.3 Oak Street Property.....	5
2.4 Government Accounts	6
2.5 Website	6
3.0 Proposed Sale of the Richmond Street Property	7
3.1 Sale and Offer Solicitation Process.....	7
3.2 The Aventus APS.....	7
3.3 Sealing Order	8
4.0 Statement of Receipts and Disbursements.....	9
5.0 Receiver and its Counsel’s Accounts.....	10
6.0 Recommended Distribution	11
6.1 Secured Creditor Registrations	11
6.2 Independent Legal Opinion and BNS Security.....	12
6.3 Receiver’s Proposed Distribution	12
7.0 Discharge of Receiver.....	14
8.0 Order Sought.....	15

Listing of Appendices

Appendix A	-	Appointment Order
Appendix B	-	First Report
Appendix C	-	SSP Order
Appendix D	-	Second Report
Appendix E	-	Order approving Updated SSP
Appendix F	-	Order approving balance of Second Report
Appendix G	-	Redacted Aventus APS
Appendix H	-	Redacted Valco Appraisal
Appendix I	-	Statement of Receipts and Disbursements
Appendix J	-	Receiver Fee Affidavit
Appendix K	-	Miller Thomson Fee Affidavit
Appendix L	-	Parcel Register
Appendix M	-	PPSA Search
Appendix N	-	MT Security Opinion

1.0 Introduction

1.1 Introduction and purpose of report

- 1.1.1** Richmond Medical Centre Inc. (“**Richmond Medical**”) is the owner of the real property and premises municipally known as 1653 Richmond St., London, Ontario (the “**Richmond Street Property**”) and the real property and premises municipally known as 125 Oak Street, Bothwell (the “**Oak Street Property**”). The Richmond Street Property is improved with a four-storey building consisting of commercial space on the main floor and nine residential apartment units on the upper floors. The Oak Street Property was improved with a dilapidated warehouse building which has since been demolished.
- 1.1.2** I Lov This Place 11 Inc. (“**I Lov This Place**” and collectively with Richmond Medical, the “**Debtors**”) operated a medical clinic under the name “Children’s After Hours Medical Clinic” (“**Children’s Clinic**”) from leased space on the main floor of the Richmond Street Property building. The Children’s Clinic has ceased operating.
- 1.1.3** The principal of the Debtors is Elisabetta Jackson (“**Jackson**”).
- 1.1.4** Richmond Medical is indebted to The Bank of Nova Scotia (“**BNS**” or the “**Bank**”) in the approximate amount of \$8.2 million, plus accruing interest and costs of enforcement. I Lov This Place is indebted to the Bank in the approximate amount of \$160,000, plus accruing interest and costs of enforcement. Richmond Medical guaranteed payment to the Bank of the I Lov This Place indebtedness.
- 1.1.5** As security for their indebtedness to the Bank, the Debtors provided the Bank with the following security:
- first ranking charge/mortgage in the principal sum of \$13.75 million registered over the Richmond Street Property;
 - General Security Agreement dated August 31, 2017 from Richmond Medical; and
 - General Security Agreement dated August 31, 2017 from I Lov This Place
- 1.1.6** Richmond Medical is indebted to 2505151 Ontario Inc. (“**2505151**”) in the approximate amount of \$3.4 million, plus accruing interest and costs of enforcement. Richmond Medical has provided 2505151 with the following security:
- second ranking charge/mortgage in the principal sum of \$3,250,000 registered over the Richmond Street Property; and
 - first ranking charge/mortgage in the principal sum of \$3,250,000 registered over the Oak Street Property.
- 1.1.7** On July 12, 2022, due to various events of default pursuant to the terms of the Debtors financing agreements, the Bank demanded payment and issued Notices of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*.

1.1.8 On December 9, 2022, on the application of the Bank, the Honourable Mr. Justice Grace issued an Order (the “**Appointment Order**”) appointing MNP Ltd. as receiver (the “**Receiver**”) of the assets, undertakings, and properties of the Debtors, including the Richmond Street Property and Oak Street Property. A copy of the Appointment Order is attached as **Appendix A**. The Appointment Order is substantially in the form of the Model Receivership Order prepared by the Commercial Court Users Committee for use on the Commercial List.

1.1.9 The Appointment Order authorized, but did not obligate, the Receiver to, among other things:

- Take possession of and exercise control over the Debtors’ assets;
- To manage, operate, and carry on the business of the Debtors;
- Market any or all the Debtors’ assets and negotiate such terms and conditions of sale as the Receiver may deem appropriate; and,
- Sell, convey, transfer, lease or assign the assets out of the ordinary course of business without Court approval in respect of any single transaction not exceeding \$50,000, or \$150,000 in aggregate.

1.1.10 The Receiver filed two previous reports with the Court, as follows:

- (i) The first report dated March 9, 2023 (the “**First Report**”). A copy of the First Report, without appendices and confidential supplement, is attached as **Appendix B**. The First Report was submitted in support of the Receiver’s motion for, among other things, approval of a sale and offer solicitation process (“**SSP**”) for the Richmond Street Property and Oak Street Property. A copy of the Order of Justice Mitchell dated April 14, 2023, approving the First Report and the SSP is attached as **Appendix C** (the “**SSP Approval Order**”).
- (ii) The second report dated December 12, 2023 (the “**Second Report**”). A copy of the Second Report, without appendices and confidential supplement, is attached as **Appendix D**. The Second Report was submitted in support of the Receiver’s motion for, among other things, approval of an updated sale and offer solicitation process (the “**Updated SSP**”) for the Richmond Street Property. A copy of the Order of Justice Moore dated January 12, 2024 approving a portion of the Second Report, including the Updated SSP, is attached as **Appendix E** (the “**Updated SSP Approval Order**”). A copy of the Order of Justice Perfetto dated February 16, 2024, approving the balance of the Second Report is attached as **Appendix F**.

1.1.11 The Receiver has entered into an Agreement of Purchase and Sale dated August 1, 2024 with Aventus Developments Corp. in trust for a company to be incorporated (the “**Aventus APS**”) for the purchase of the Richmond Street Property. The Aventus APS is subject to Court approval.

1.2 Purpose of Receiver’s Third Report

1.2.1 This constitutes the Receiver’s Third and Final Report to the Court (the “**Final Report**”) in this matter and is filed to:

- i. Provide an overview of the Receiver’s activities since the Second Report and seek approval of those activities; and,
- ii. Recommend to the Court that it make an Order,

- a) approving the Final Report and the confidential supplement thereto, along with the activities of the Receiver detailed therein;
- b) approving the Aventus APS and authorizing the Receiver to complete the transaction contemplated therein (the “**Aventus Transaction**”);
- c) vesting in Aventus, or its designated company, the Richmond Street Property free and clear of all encumbrances other than permitted encumbrances;
- d) subject to the Receiver paying, or maintaining sufficient reserves to pay, the costs and expenses related to the administration of the receivership, including the fees and disbursements of the Receiver and its legal counsel, authorizing and directing the Receiver to distribute the net proceeds of the estate as outlined in Section 6.0 of the Final Report;
- e) approving the Receiver’s Statement of Receipts and Disbursements as at August 15, 2024;
- f) approving the fees and disbursements of the Receiver and its legal counsel including the accruals for fees and disbursements to be incurred to the completion of these proceedings;
- g) sealing the Confidential Supplement to the Final Report until the completion of the sale of the Richmond Street Property or further Order of the Court; and
- h) effective upon the filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the Receivership of the Debtors have been completed to the satisfaction of the Receiver, discharging MNP Ltd. as Receiver and releasing MNP Ltd. from liability, save and except for gross negligence or wilful misconduct.

2.0 Receiver's Activities Since the Second Report

2.1 Residential Units

- 2.1.1** As stated in the Second Report, the Receiver engaged Larlyn Property Management (“**Larlyn**”) to take over property management of the Richmond Street Property. The Receiver has continued to work with Larlyn to manage the residential units.
- 2.1.2** As of the date of this Final Report seven of the nine residential units are tenanted. Larlyn is working to source tenants for the two vacant units.
- 2.1.3** The Receiver is investigating an issue with the balconies on the 2nd and 4th floors. On days of heavy rain, the balconies leak and cause damage to the units below. The Receiver engaged contractors to investigate the balconies and cause of the leaks. This investigation is ongoing.

2.2 Commercial Unit

- 2.2.1** As stated in the Second Report, the Children’s Clinic terminated its lease and vacated the main floor of the Richmond Street Property in October, 2023.
- 2.2.2** The Receiver engaged Colliers to market the main floor for lease and source a new tenant(s). As of the date of this report a new tenant has not been found.

2.3 Oak Street Property

- 2.3.1** The Oak Street Property is a 0.15-acre parcel of land formerly improved with a warehouse building that had sustained significant damage. The Municipality of Chatham-Kent (“**Chatham-Kent**”) had issued a demolition permit prior to the receivership. On June 12, 2023 the Receiver visited the Oak Street Property to find the building had been demolished. This was done by Jackson without the Receiver’s knowledge or consent.
- 2.3.2** On August 29, 2023 Chatham-Kent issued an Order to Remedy Unsafe Building (the “**Oak Street Order**”) by September 21, 2023. The Oak Street Order required the septic system to be removed or decommissioned and removal of the remaining floor slab, foundation wall and footing.
- 2.3.3** The Receiver advised Chatham-Kent that the Receiver was not in possession of the Oak Street Property.
- 2.3.4** Chatham-Kent completed the demolition. The costs incurred, amounting to \$9,605.00 were added to the property tax account. Total property tax arrears for the Oak Street Property, including the demolition costs, amount to \$20,375.25. Chatham-Kent has advised it intends to commence proceedings for a tax sale of the Oak Street Property.
- 2.3.5** As set out in the Second Report and SSP, the Receiver listed and attempted to sell the Oak Street Property between June 2023 and January 2024. The Oak Street Property was initially listed for sale at a price of \$89,900. The list price was later reduced to \$79,900. No offers were received, and very minimal interest was received. A neighbour verbally expressed interest in the approximate amount of \$15,000. When the listing expired the realtor declined to extend the listing agreement.
- 2.3.6** Given the uncertain saleability of the Oak Street Property and potential for net recovery to the receivership after accounting for the property tax arrears, the Receiver did not pursue an alternate sale strategy for the Oak Street Property. The Receiver recommends Chatham-Kent carry out the

tax sale proceedings. If a surplus is received over the property tax arrears these would be payable to 2505151 pursuant to its first ranking charge/mortgage.

2.4 Government Accounts

- 2.4.1** Canada Revenue Agency (“CRA”) has filed a Proof of Claim with the Receiver, claiming \$531,881.42 in HST arrears. A large portion of these arrears relate to an assessment in 2019 because Richmond Medical did not provide supporting documents for Input Tax Credits claimed on prior returns under audit.
- 2.4.2** CRA advised there are no source deduction arrears owing.
- 2.4.3** CRA advised that of the total HST arrears, \$69,510.33 are subject to the deemed trust provisions of the Excise Tax Act.
- 2.4.4** The Receiver opened an HST 0002 account and has filed all receivership period HST returns since its appointment.

2.5 Website

- 2.5.1** The Receiver setup a website at <https://mnpdebt.ca/en/corporate/corporate-engagements/richmond-medical-centre-inc> to post documents relating to the receivership that should be available to the public, including the Appointment Order and Receiver’s Reports.

3.0 Proposed Sale of the Richmond Street Property

3.1 Sale and Offer Solicitation Process

3.1.1 The Receiver marketed and solicited offers for the Richmond Street in accordance with the SSP Approval Order and Updated SSP Approval Order.

3.1.2 The Richmond Street Property was listed with Colliers International London Ontario (“**Colliers**”) on June 1, 2023. The Richmond Street Property was initially listed for sale at a list price of \$11.0 million. The list price was reduced as follows:

- (i) on July 14, 2023 reduced to \$10.75 million;
- (ii) on August 4, 2023 reduced to \$10.5 million;
- (iii) on August 28, 2023 reduced to \$10.25 million;
- (iv) on September 14, 2023 reduced to \$10.0 million;
- (v) On January 15, 2024 reduced to \$9.5 million;
- (vi) On February 20, 2024 reduced to \$9.25 million;
- (vii) On March 28, 2024 reduced to \$9.0 million
- (viii) On April 25, 2024 reduced to \$8.75 million; and,
- (ix) On May 22, 2024 reduced to \$8.5 million.

3.1.3 Six offers were received for the Richmond Street Property. Two other parties submitted non-binding expressions of interest, but these did not result in formal binding offers. Due to the confidential nature of the offers received, the Receiver is providing details of same to the Court in the Confidential Supplement to the Final Report (the “**Confidential Supplement**”).

3.2 The Aventus APS

3.2.1 A copy of the Aventus APS with the deposit and purchase price redacted is attached as **Appendix G**. An unredacted copy of the Aventus APS is contained in the Confidential Supplement.

3.2.2 As stated in the First Report, the Receiver commissioned an appraisal of the Richmond Street Property by Valco Real Estate Appraisers & Consultants (the “**Valco Appraisal**”). A redacted copy of the Valco Appraisal is attached as **Appendix H**. An unredacted copy of the Valco Appraisal is contained in the Confidential Supplement.

3.2.3 The Aventus Transaction, if approved, will result in a shortfall to the Bank under its first mortgage and will not result in any distribution to 2505151 in respect of its second ranking charge.

3.2.4 Through the SSP and Updated SSP the Richmond Street Property has been exposed to the market for approximately 14 months. During that time, six offers and two non-binding expressions of interest were received. The Aventus Transaction represents the highest recovery option available. As such, the Receiver recommends the Court approve the Aventus APS.

3.3 Sealing Order

- 3.3.1** The Receiver is concerned about the negative market impact and prejudice which would be caused to the Updated SSP by the disclosure of the information contained in the Confidential Supplement in the event the Aventus Transaction is not completed and it is necessary to remarket the Richmond Street Property. Accordingly, the Receiver is requesting a sealing order for the Confidential Supplement until the closing of the sale of the Richmond Street Property.

4.0 Statement of Receipts and Disbursements

- 4.1.1** **Appendix I**, attached, is a summary of the Receiver's Statement of Receipts and Disbursements ("R&D") for the period ended August 15, 2024.
- 4.1.2** The Receiver generated receipts of \$422,538 from rental income.
- 4.1.3** The Receiver has made disbursements of \$219,145 before professional fees, primarily for insurance, utilities, property management and repairs and maintenance, including fees to contractors to investigate balcony issues described above.
- 4.1.4** The Receiver has paid Professional Fees to date totalling \$85,678.
- 4.1.5** The Order of Justice Moore dated January 12, 2024 approved the Receiver's fees to October 31, 2023 in the amount of \$95,000, plus HST. These fees have not yet been paid.
- 4.1.6** The Receiver has net receipts remaining in the receivership estate account of \$123,575.

5.0 Receiver and its Counsel's Accounts

- 5.1.1** Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 19 of the Initial Order, the Receiver and its counsel are required to pass their accounts.
- 5.1.2** As required in the Appointment Order, the Receiver is seeking the approval of its accounts and the accounts of its legal counsel for the receivership period to date.
- 5.1.3** The Receiver has submitted one invoice since the Second Report, for the period November 1, 2023 to August 15, 2024, in the amount of \$90,000, plus HST. The invoice, together with the Receiver's affidavit of verification of fees, is attached as **Appendix J**.
- 5.1.4** The Receiver will incur further fees and disbursements to finalize the administration of this estate, including, without limitation, completing the Aventus Transaction, delivering possession and control of the Richmond Street Property to Aventus, filing of all final HST returns, preparing and lodging the Receiver's Notice to Creditors pursuant to section 246 of the BIA, and all other final administrative matters. The Receiver estimates that these further fees and disbursements will not exceed \$20,000, excluding disbursements and taxes (the "**Receiver Fee Accrual**").
- 5.1.5** Miller Thomson, the Receiver's legal counsel, has submitted five invoices since the Second Report, summarized as follows before HST:

November 30, 2023	\$1,849.50
December 31, 2023	\$3,137.10
January 31, 2024	\$2,859.00
February 29, 2024	\$3,672.00
May 31, 2024	\$144.00

The invoices, together with Miller Thomson's affidavit of verification of fees, is attached as **Appendix K**.

- 5.1.6** Miller Thomson will incur further fees and disbursements to finalize the administration of this estate, including, without limitation, preparing materials for and attending on the motion for approval of the Aventus APS and the Final Report, completing the Aventus Transaction (if approved), and the filing of the Discharge Certificate in connection with the Discharge Order. Miller Thomson estimates that these further fees and disbursements will not exceed \$20,000, excluding disbursements and taxes (the "**MT Fee Accrual**").
- 5.1.7** It is the Receiver's opinion that the Professional Fees are fair and reasonable and justified in the circumstances and accurately reflect the work done by the Receiver and Miller Thomson in connection with the receivership during the relevant periods. The Receiver recommends approval of the Professional Fees, including the Receiver Fee Accrual and MT Fee Accrual, by the Court.

6.0 Recommended Distribution

6.1 Secured Creditor Registrations

- 6.1.1** A copy of the parcel register for the Richmond Street Property, PIN 08066-0197 is attached as **Appendix L**. The instruments and encumbrances to be vested out on the closing of the Aventus Transaction are as follows:

REGISTRATION NO.	DATE	INSTRUMENT TYPE	PARTY TO
ER1192076	2018/09/11	Charge	BNS
ER1192077	2018/09/11	No Assgn Rent Gen	BNS
ER1364652	2021/03/30	Charge	2505151
ER1505033	2022/12/13	Application to Register Court Order	MNP Ltd.

- 6.1.2** A copy of a search of registrations against Richmond Medical under the *Personal Property Security Act* (“PPSA”) as of August 15, 2024, is attached as **Appendix M**. The registrations disclosed on that search are as follows:

REGISTRATION NO.	PPSA/ RSLA	SECURED PARTY	COLLATERAL CLASSIFICATION
20240626 1350 1532 0460	PPSA	Bank of Nova Scotia	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
20190114 1017 1462 6039	PPSA	CLE Capital Inc.	Equipment
20230421 1639 1590 0060	PPSA	CO Capital Ltd.	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
20230421 1639 1590 0061	PPSA	CO Capital Ltd.	Accounts, Other

- 6.1.3** The collateral described in the CLE Capital Inc. registration consists of a Cynosure MonaLisa Touch Fractional Laser workstation which the Receiver believes was used, and is in the possession of, the Children’s Clinic. The Receiver is not in possession of this asset.
- 6.1.4** The two registrations in favour of CO Capital Ltd. were made after the date of the Appointment Order. The Receiver has no knowledge of the collateral described in these registrations and did not consent to granting security over any Richmond Medical assets to CO Capital Ltd.

6.2 Independent Legal Opinion and BNS Security

6.2.1 Miller Thomson has reviewed the security granted by Richmond Medical in favour of BNS and 2505151. Subject to customary assumptions and qualifications, Miller Thomson has provided an opinion that:

- (i) The BNS charge against the Richmond Street Property is a valid and enforceable charge securing the principal sum of \$13,750,00, plus interest and costs;
- (ii) BNS has a valid and perfected security interest in the leases and rents for the Richmond Street Property as further security for the payment of the amounts secured under the BNS charge;
- (iii) BNS has a valid and perfected security interest in the personal property of Richmond Medical securing the payment and performance of all obligations of Richmond Medical to BNS, including interest and costs;
- (iv) BNS has a valid and perfected security interest in the personal property of I Lov This Place securing the payment and performance of all obligations of I Lov This Place to BNS, including interest and costs;
- (v) The 2505151 charge against the Richmond Street Property is a valid and enforceable charge against the Richmond Street Property securing the principal sum of \$3,250,000, plus interest and costs;
- (vi) The 2501515 charge against the Oak Street Property is a valid and enforceable charge securing the principal sum of \$3,250,000, plus interest and costs; and
- (vii) The BNS Richmond Street charge ranks in priority to the 2501515 charge by order of registration.

6.2.2 A copy of the Miller Thomson security opinion (the “**MT Security Opinion**”) dated March 3, 2023, is attached as **Appendix N**.

6.2.3 Subsequent to the date of the MT Security Opinion, the BNS registrations against Richmond Medical under the *PPSA* (registration 20240626 1350 1532 0460) lapsed on September 11, 2023. A late renewal of the registration was filed on June 26, 2024. As reflected on the *PPSA* search attached as Appendix L, there were no intervening registrations during the lapse period.

6.3 Receiver’s Proposed Distribution

6.3.1 Based on the foregoing, other than government priority claims, the Receiver is not aware of any charges against the Richmond Street Property that rank in priority to the Bank.

6.3.2 Property tax arrears for the Richmond Street Property are approximately \$250,000 and rank in priority to the BNS charge and 2501515 charge. This amount will be paid to the City of London from the sale proceeds of the Aventus Transaction, if approved.

6.3.3 CRA has advised the Receiver that it has a deemed trust property claim over Richmond Medical’s assets, including the Richmond Street Property, for unpaid HST in the amount of \$69,510. Of this amount, \$36,533 became due prior to the registration of the BNS charge.

- 6.3.4** Counsel for BNS has advised the Receiver that BNS will be making an application for a bankruptcy order against Richmond Medical prior to completion of the Aventus Transaction. Based upon the Supreme Court of Canada decision in *Callidus Capital Corp. v. Canada*, 2018 SCC 47 (CanLII), upon bankruptcy the deemed trust for HST ceases to be effective against secured creditors. Accordingly, in the event that a bankruptcy order is made, the BNS charge would have priority over the unpaid HST amounts.
- 6.3.5** Subject to the payment of the property taxes for the Richmond Street Property, the Professional Fees and all residual receivership costs and expenses and the Receiver maintaining such reserves as it deems appropriate for the proper administration of the receivership estate, the Receiver proposes the following distributions of the proceeds remaining in the receivership estate:
- (i) \$36,533 to CRA in satisfaction of its HST deemed trust claim unless a bankruptcy order is made in respect of Richmond Medical prior to such distribution being made; and
 - (ii) The remainder (including the \$36,533 referred to in the in paragraph (i) above in the event of a bankruptcy order being made against Richmond Medical) to BNS on account of its secured claim.
- 6.3.6** The Receiver anticipates a refund of the net HST paid by the Receiver and the unused portion of insurance premiums on closing of the Aventus Transaction, if approved. Upon receipt, these funds will also be distributed to BNS on account of its secured claim.
- 6.3.7** Other than set out herein, the Receiver does not anticipate receiving any further funds in the estate.
- 6.3.8** Based on the sale price for the Richmond Street Property, BNS will suffer a shortfall on its secured claim. The Receiver does not anticipate that there will be any funds available for distribution to any other creditor, including 2501515.

7.0***Discharge of Receiver***

7.1.1 Prior to the Receiver's discharge, the Receiver proposes to attend to the following matters:

- (i) the completion of the Aventus Transaction;
- (ii) payment of the property taxes for the Richmond Street Property from the sale proceeds;
- (iii) completing the distributions set out above;
- (iv) other residual and/or administrative matters in connection with the receivership; and
- (v) filing of the Receiver's discharge certificate.

7.1.2 Subject to the completion of the matters above, the Receiver requests to be discharged of its duties.

8.0 Order Sought

8.1.1 We submit this Third Report to the Court and respectfully request that the Court make an order as requested in paragraph 1.2.1 above.

All of which is respectfully submitted this 26th day of August 2024.

**MNP Ltd.,
in its capacity as Court Appointed Receiver of
Richmond Medical Centre Inc. and I Lov This Place 11 Inc.
and without personal or corporate liability**



Per: _____
Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX A



Court File No. CV-22-00001571-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE

)

FRIDAY, THE 9TH

JUSTICE GRACE

)

DAY OF DECEMBER, 2022

)

THE BANK OF NOVA SCOTIA

Applicant

- and -

RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.

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 MNP Ltd. as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Richmond Medical Centre Inc. and I Lov This Place 11 Inc. (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including the real property described at Schedule "A" hereto and owned by Richmond Medical Centre Inc. (the "Real Property") was heard this day by judicial videoconference at 80 Dundas Street, London, Ontario.

ON READING the affidavits of Rachel Davies sworn October 14, 2022 and November 14, 2022 and the Exhibits thereto and the Order of the Honourable Justice McArthur dated October 28, 2022 and on hearing the submissions of counsel for the Applicant and the Respondents and counsel to

2505151 Ontario Inc., no one else appearing although duly served as appears from the affidavit of service of Lindsay Ferguson sworn October 18, 2022 and on reading the consent of MNP Ltd. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so 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, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including the Real Property, and also including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

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

- (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 or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating

such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$150,000; and

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*, 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 enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the 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 the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, or any of them, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors, or any of them, 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 or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, 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

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors, or any of them, 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 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, 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

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtors 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

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such

personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing

in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (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.

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

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

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<https://mnpdebt.ca/en/corporate/corporate-engagements>'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true

copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the 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

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

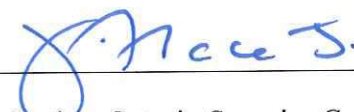
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors, or any of them.

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

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

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, 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.

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

A handwritten signature in blue ink, appearing to read "J. MacT.", written over a horizontal line.

Justice, Ontario Superior Court of Justice

A handwritten signature in blue ink, appearing to read "G. MacT.", written below the text "Justice, Ontario Superior Court of Justice".

DOCSTOR: 1771742\8

SCHEDULE "A"**REAL PROPERTY**

PART LOT 28, RCP 1029, DESIGNATED AS PART 1, 33R19375; TOGETHER WITH AN EASEMENT OVER PARTS 2, 3, 4, 5 AND 7 33R19479 AS IN ER1063273; SUBJECT TO AN EASEMENT OVER PART 1, 33R19479 IN FAVOUR OF PART LOT 23-27, RCP 1029, PARTS 1,3,5,7, & 9, 33R19435 AS IN ER1063272; CITY OF LONDON (PIN 08066-0197 LT)



SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties Richmond Medical Centre Inc. and I Lov This Place 11 Inc. (the "Debtors") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 20__ (the "Order") made in an action having Court file number _____, 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

A598



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__.

MNP Ltd., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

THE BANK OF NOVA SCOTIA

-and-

RICHMOND MEDICAL CENTRE INC., *et al.*

Applicant

Respondents

Court File No. CV-22-00001571-0000

ONTARIO**SUPERIOR COURT OF JUSTICE**Proceeding commenced at
London, Ontario**APPOINTMENT ORDER**

HARRISON PENSEA ^{LLP}
Barristers and Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)

Tel: (519) 679-9660

Fax: (519) 667-3362

Email: thogan@harrisonpensa.com
rdanter@harrisonpensa.comSolicitors for the Applicant,
The Bank of Nova Scotia

APPENDIX B

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

-and-

RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.

Respondents

**FIRST REPORT TO THE COURT SUBMITTED BY MNP LTD.
RECEIVER**

March 9, 2023

Table of Contents

	<u>Page</u>
1.0 Introduction.....	2
1.1 Introduction and purpose of report	2
1.2 Purpose of Receiver's First Report.....	3
2.0 Initial Receiver's Activities	4
2.1 Possession	4
2.2 I Lov This Place	4
2.3 Leases.....	4
2.4 Property Manager	4
2.5 Children's Clinic Lease	5
2.6 Tenant Receivable.....	5
2.7 125 Oak Street Bothwell.....	6
2.8 Government Accounts	6
2.9 Receiver's Banking.....	6
2.10 Notice.....	6
2.11 Independent Counsel.....	6
3.0 Recommended SSP.....	8
3.1 Richmond Street Property.....	8
3.2 Oak Street Property.....	8
3.3 Sealing Order – Confidential Supplement	8
4.0 Statement of Receipts and Disbursements.....	10
5.0 Receiver and its Counsel's Accounts.....	11
6.0 Order Sought.....	12

Listing of Appendices

Appendix A	-	Appointment Order
Appendix B	-	Receiver Notice
Appendix C	-	Miller Thomson Security Opinion
Appendix D	-	Valco Appraisal - Redacted
Appendix E	-	Metrix Appraisal - Redacted
Appendix F	-	McIver Appraisal - Redacted
Appendix G	-	Template APS – Richmond Street Property
Appendix H	-	Template APS – Oak Street Property
Appendix I	-	Statement of Receipts and Disbursements
Appendix J	-	MNP Fee Affidavit
Appendix K	-	Miller Thomson Fee Affidavit

1.0 Introduction

1.1 Introduction and purpose of report

- 1.1.1** Richmond Medical Centre Inc. (“**Richmond Medical**”) is the owner of the real property and premises municipally known as 1653 Richmond St., London, Ontario (the “**Richmond Street Property**”) and the real property and premises municipally known as 125 Oak Street, Bothwell (the “**Oak Street Property**”). The Richmond Street Property is improved with a four-storey building consisting of commercial space on the main floor and nine residential apartment units on the upper floors. The Oak Street Property is improved with a dilapidated warehouse building.
- 1.1.2** I Lov This Place 11 Inc. (“**I Lov This Place**” and collectively with Richmond Medical the “**Debtors**”) operates a medical clinic under the name “Children’s After Hours Medical Clinic” (“**Children’s Clinic**”) from leased space on the main floor of the Richmond Street Property building.
- 1.1.3** The principal of the Debtors is Elisabetta Jackson (“**Jackson**”).
- 1.1.4** Richmond Medical is indebted to The Bank of Nova Scotia (the “**Bank**”) in the approximate amount of \$7.5 million, plus accruing interest and costs of enforcement. I Lov This Place is indebted to the Bank in the approximate amount of \$160,000, plus accruing interest and continuing costs of enforcement. Richmond Medical guaranteed payment to the Bank of the I Lov This Place indebtedness.
- 1.1.5** As security for their indebtedness to the Bank, the Debtors provided the Bank with the following security:
- first ranking charge/mortgage in the principal sum of \$13.75 million registered over the Richmond Street Property;
 - General Security Agreement dated August 31, 2017 from Richmond Medical; and
 - General Security Agreement dated August 31, 2017 from I Luv This Place
- 1.1.6** Richmond Medical is indebted to 2505151 Ontario Inc. (“**2505151**”) in the approximate amount of \$3.4 million, plus accruing interest and costs of enforcement. Richmond Medical has provided 2505151 with the following security:
- second ranking charge/mortgage in the principal sum of \$3,250,000 registered over the Richmond Street Property; and
 - first ranking charge/mortgage in the principal sum of \$3,250,000 registered over the Oak Street Property.
- 1.1.7** On July 12, 2022, due to various events of default pursuant to the terms of the Debtors financing agreements, the Bank demanded payment and issued Notices of Intention to Enforce Security to pursuant to the *Bankruptcy and Insolvency Act*.
- 1.1.8** On December 9, 2022, on the application of the Bank, the Honourable Mr. Justice Grace issued an Order (the “**Appointment Order**”) appointing MNP Ltd. as receiver (the “**Receiver**”) of the assets, undertakings, and properties of the Debtors, including the Richmond Street Property and Oak Street

Property. A copy of the Appointment Order is attached as **Appendix A**. The Appointment Order is substantially in the form of the Model Receivership Order prepared by the Commercial Court Users Committee for use on the Commercial List.

1.1.9 The Appointment Order authorized, but did not obligate, the Receiver to, among other things:

- Take possession of and exercise control over the Debtors' assets;
- To manage, operate, and carry on the business of the Debtors;
- Market any or all the Debtors' assets and negotiate such terms and conditions of sale as the Receiver may deem appropriate; and,
- Sell, convey, transfer, lease or assign the assets out of the ordinary course of business without Court approval in respect of any single transaction not exceeding \$50,000 or \$150,000 in aggregate.

1.2 Purpose of Receiver's First Report

1.2.1 This constitutes the Receiver's First Report to the Court (the "**First Report**") in this matter and is filed to:

- i. Provide an overview of the Receiver's activities since the date of its appointment and seek approval of those activities;
- ii. Report to the Court with respect to the sale and offer solicitation process ("**SSP**") commenced by the Receiver for the Richmond Street Property and Oak Street Property and seek approval of same;
- iii. Obtain an Order,
 - a) approving the First Report and the confidential supplement thereto, along with the activities of the Receiver detailed therein;
 - b) approving the SSP;
 - c) sealing the Confidential Supplement to the First Report until completion of a sale of the Richmond Street Property and Oak Street Property or further Order of the Court;
 - d) approving the Receiver's Statement of Receipts and Disbursements as at February 28, 2023; and,
 - e) approving the fees and disbursements of the Receiver and its legal counsel.

2.0 Initial Receiver's Activities

2.1 Possession

- 2.1.1** Upon its appointment, the Receiver attended at the Richmond Street Property and met with Jackson who provided access and a tour.
- 2.1.2** The Receiver's counsel registered a copy of the Appointment Order on title to the Richmond Street Property.
- 2.1.3** A notice was sent to all tenants to advise of the receivership, provide contact information for the Receiver and instructions for the payment of all future rents directly to the Receiver. The Receiver has collected all rents since January 1, 2023.
- 2.1.4** The Receiver contacted the Richmond Medical and I Luv This Place insurance provider and has been added to all policies as named insured.
- 2.1.5** The Receiver redirected the mail for both Debtors to its office.

2.2 I Lov This Place

- 2.2.1** I Lov This Place owns and operates the Children's Clinic. I Lov This Place leases space for the Children's Clinic on the main floor of the Richmond Street Property building.
- 2.2.2** I Lov This Place owns a small amount of medical equipment and leases a vehicle from Mercedes-Benz Financial Services Canada Corporation.
- 2.2.3** Due to the expected regulatory requirements and liability concerns, the Receiver has not taken possession of the Children's Clinic. I Love This Place continues to operate the Children's Clinic.

2.3 Leases

- 2.3.1** The Children's Clinic lease appears to be below current market value.
- 2.3.2** There are nine residential apartment units on the upper three floors of the building on Richmond Street Property. At the date of the receivership one of the residential units was vacant, and one tenant had given notice of lease termination.
- 2.3.3** Since the Receiver's appointment three more tenants have terminated their leases.
- 2.3.4** Jackson is working to find new tenants; however, has been unable to do so. Jackson believes potential tenants are concerned about entering into a new lease while the Richmond Street Property is under the possession and control of the Receiver.
- 2.3.5** As discussed below, the Receiver intends to engage a professional property management company to, among other things, assist in securing new residential tenants.

2.4 Property Manager

- 2.4.1** At the date of the Receiver's appointment, Jackson acted as the property manager for the Richmond Street Property. The Receiver continued to use Jackson to provide standard property management tasks to the Receiver for compensation at the rate of \$20.00 per hour.

- 2.4.2** The Receiver is not satisfied with the information flow from Jackson, or with her efforts to seek replacement tenants for the growing number of vacant units. The Receiver is in the process of obtaining proposals from third party property management companies. The Receiver intends to engage a new professional property manager and will provide an update on same to the Court in our next report.

2.5 Children's Clinic Lease

- 2.5.1** The lease made between Richmond Medical and I Lov This Place for the Children's Clinic encompasses the entire main floor of the Richmond Street Property building. However, historically the Children's Clinic has only operated from part of the main floor and a portion of the main floor has been leased to a pharmacy. At the date of the Receiver's appointment, the pharmacy had ceased operating.
- 2.5.2** The Receiver has provided I Lov This Place with an amendment to its lease to reduce the space included within the lease to the space actually occupied by and used for the Children's Clinic. The amendment, if signed, would permit the space historically used as a pharmacy to be leased to another tenant. To date, the amendment has not been signed.
- 2.5.3** The Children's Clinic lease was signed in November 2016 and called for a rent adjustment in July 2022. The Receiver determined that the rent had not been adjusted. The Receiver has notified the Children's Clinic of the rent adjustment. The Children's Clinic agreed to begin paying the increased rate; however, as of the date of this report has continued to pay at the old rate. The Receiver is pursuing catch up of the short payments.

2.6 Tenant Receivable

- 2.6.1** 260132 Ontario Inc. ("**260132**") leased a portion of the main floor of the Real Property from Richmond Medical for a pharmacy.
- 2.6.2** Prior to the Receiver's appointment, a dispute arose between Richmond Medical and 260132 regarding the amount of space being leased and the rent payable by 260132. 260132 paid rent on the basis of an occupied space of 1,000 square feet. However, the actual space occupied was determined to be only approximately 339 square feet. In a judgment dated, July 8, 2019, Justice Hockin ordered Richmond Medical to pay \$65,120.73 to 260132 for the rent overpayment. The judgement also set the monthly rent payable at \$1,978.55, inclusive of CAM.
- 2.6.3** 260132 vacated the premises in November 2022, five years into the lease.
- 2.6.4** In November 2022, 260132 filed a motion seeking an Order requiring the return of a \$96,050 security deposit paid by it to Richmond Medical at the outset of the lease. The motion did not proceed due to the stay of proceedings imposed by the Appointment Order.
- 2.6.5** There is a dispute over whether the term of the lease is 5 years (and at an end) or 10 years (expiring in November 2027).
- 2.6.6** Based on a monthly lease rate of \$1,978.55 as determined by Justice Hockin in the 2019 judgment, the total rent payable by 260132 for an additional five years would be \$118,713. As Richmond Medical was paid a deposit of \$96,050 and has an obligation to mitigate its damages, the Receiver has determined that there is no benefit to pursuing a claim for damages against 260132.

2.7 125 Oak Street Bothwell

- 2.7.1 After its appointment the Receiver learned that Richmond Medical owns the Oak Street Property.
- 2.7.2 The Oak Street Property is a 0.15-acre parcel of land improved with a warehouse building that has sustained significant damage. There was a partial roof collapse in 2021 caused by an overloading of shingle bundles and it has not been repaired.

2.8 Government Accounts

- 2.8.1 The Receiver notified the Canada Revenue Agency of the receivership and requested a Harmonized Sales Tax (“HST”) account to report HST collected and paid through the receivership process.
- 2.8.2 CRA has advised there is approximately \$532,000 in HST owing by Richmond Medical, most of which relates to an assessment in 2019 because Richmond Medical did not provide supporting documents for Input Tax Credits claimed on prior returns under audit. HST returns from April 2022 remaining outstanding. The Receiver has requested the information to complete these outstanding returns from Jackson and has not yet received a response.
- 2.8.3 CRA has advised that I Lov This Place has no HST account; however, source deduction remittances are outstanding since 2020. CRA has requested source deduction returns be filed so it can determine the outstanding amount. The Receiver has requested the information to complete these outstanding returns from Jackson and has not yet received a response.

2.9 Receiver’s Banking

- 2.9.1 The Receiver has set up a receivership bank account to administer estate receipts and disbursements.

2.10 Notice

- 2.10.1 The Receiver prepared a notice under Section 245 of the Bankruptcy and Insolvency Act with the office of the Superintendent of Bankruptcy. A copy of the Section 245 Notice is attached hereto as **Appendix B**.
- 2.10.2 The Receiver has requested a complete list of creditors from Jackson and to date has not received same. The Receiver sent the above notice to all known creditors; however, it is likely that there are additional creditors yet to be notified. Once a complete list is received from Jackson, the Receiver will prepare an amended notice and send it to all creditors.
- 2.10.3 The Receiver has setup a website at <https://mnpdebt.ca/en/corporate/corporate-engagements/richmond-medical-centre-inc> to post documents relating to the receivership that should be available to public, including the Appointment Order.

2.11 Independent Counsel

- 2.11.1 The Receiver has retained Miller Thomson LLP (“**Miller Thomson**”) as independent counsel.
- 2.11.2 Miller Thomson has reviewed security documents and registrations against Richmond Medical, the Richmond Street Property and the Oak Street Property in favour of the Bank and 2505151. Subject to the customary assumptions and qualifications, Miller Thomson has provided an opinion that:
 - (i) The Bank’s charge against the Richmond Street Property is valid and enforceable;

- (ii) The Bank has a valid and perfected security interest in the leases and rents of the Richmond Street Property;
- (iii) The Bank has a valid and perfected security interest in the personal property of Richmond Medical and I Lov This Place;
- (iv) 2505151's charge against the Richmond Street Property is valid and enforceable; and,
- (v) 2505151's charge against the Oak Street Property is valid and enforceable.

2.11.3 A copy of the Miller Thomson opinion is attached at **Appendix C**.

3.0 Recommended SSP

3.1 Richmond Street Property

- 3.1.1** The Receiver has been provided with appraisals for the Richmond Street Property prepared by Metrix Realty Group and McIver Group Inc. prior to the receivership.
- 3.1.2** The Receiver commissioned an appraisal from Valco Real Estate Appraisers & Consultants (“Valco”) and also engaged Valco to complete a peer review of the pre-receivership appraisals.
- 3.1.3** Due to the confidential nature of the appraisals, the Receiver has attached redacted versions of the appraisals to this Report as **Appendix D, E and F** and is providing complete copies of the appraisals to the Court in the Confidential Supplement to the Receiver’s First Report (the “**Confidential Supplement**”).
- 3.1.4** The Receiver has received three listing proposals from local real estate agents, which are described in more detail in the Confidential Supplement.
- 3.1.5** Prior to the Receiver’s appointment, 2505151 had listed the Richmond Street Property for sale with Colliers international London (“**Colliers**”) for a short period of time. Colliers is one of the three real estate agents that was requested to provide a listing proposal.
- 3.1.6** The Receiver recommends the Richmond Street Property be listed with Colliers for sale through the Multiple Listing Service. Prospective purchasers will be provided with a template Agreement of Purchase and Sale in the form attached as **Appendix G**.
- 3.1.7** The suggested opening list price is disclosed in the Confidential Supplement.
- 3.1.8** The Receiver has reviewed the suggested opening list price and sale strategy with the Bank and 2505151, and both are in agreement with same.

3.2 Oak Street Property

- 3.2.1** The Receiver has obtained two listing proposals for the Oak Street Property.
- 3.2.2** Due to the confidential nature of the listing proposals, the Receiver is disclosing them to the Court in the Confidential Supplement.
- 3.2.3** Given the current condition of the warehouse building, the Receiver has not commissioned an appraisal of the Oak Street Property. The Receiver instead recommends listing the Oak Street Property with O’Rourke Real Estate Inc., as discussed in the Confidential Supplement, and testing the market as suggested in the listing proposals. Prospective purchasers will be provided with a template Agreement of Purchase and Sale in the form attached as **Appendix H**.
- 3.2.4** 2505151 holds the first ranking mortgage against the Oak Street Property. 2505151 is in agreement with the listing strategy set out in the Confidential Supplement.

3.3 Sealing Order – Confidential Supplement

- 3.3.1** The Receiver is concerned about the negative market impact and prejudice which would be caused to the SSP of disclosing publicly the appraised values and the listing proposals for the Richmond Street Property and the Oak Street Property before sales of the Richmond Street Property and Oak

Street Property have been completed. Accordingly, the Receiver is requesting a sealing order for the Confidential Supplement.

4.0 Statement of Receipts and Disbursements

- 4.1.1** **Appendix I**, attached, is a summary of the Receiver's Statement of Receipts and Disbursements ("R&D") for the period ended February 28, 2023.
- 4.1.2** The Receiver generated receipts of \$61,197 from rental income. All February rents for the residential units have been collected. The Children's Clinic owes \$4,673 to February 28, 2023 for short payment of rent due to the rent adjustment identified by the Receiver, discussed earlier in this report. The Receiver is pursuing collection of this amount.
- 4.1.3** The Receiver has made disbursements of \$17,700 primarily for insurance and the Valco appraisal.
- 4.1.4** The Receiver has net receipts remaining in the receivership estate account of \$42,442.
- 4.1.5** The R&D does not include the professional fees discussed in Section 5.0 of this report.

5.0 Receiver and its Counsel's Accounts

- 5.1.1** Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 19 of the Initial Order, the Receiver and its counsel are required to pass their accounts.
- 5.1.2** As required in the Appointment Order, the Receiver is seeking the approval of its accounts and the accounts of its legal counsel for the receivership period to date.
- 5.1.3** The Receiver has submitted one invoice of \$25,000 before HST, for the period ended February 28, 2023. The invoice, together with the Receiver's affidavit of verification of fees, is attached as **Appendix J**.
- 5.1.4** Miller Thomson, the Receiver's legal counsel, has submitted one invoice for the period December 12 to December 22, 2022 in the amount of \$1,055.60, inclusive of disbursements and before HST. The invoice, together with Miller Thomson's affidavit of verification of fees, is attached as **Appendix K**.
- 5.1.5** It is the Receiver's opinion that the Professional Fees are fair and reasonable and justified in the circumstances and accurately reflect the work done by the Receiver and Miller Thomson in connection with the receivership during the relevant periods. The Receiver recommends approval of the Professional Fees by the Court.

6.0 Order Sought

6.1.1 We submit this First Report to the Court and respectfully request that the Court make an order as requested in paragraph 1.2.1 above.

All of which is respectfully submitted this 9th day of March 2023.

**MNP Ltd.,
in its capacity as Court Appointed Receiver of
Richmond Medical Centre Inc. and I Lov This Place 11 Inc.
and without personal or corporate liability**



Per: _____
Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX C



108
A2322

Court File No.: CV-22-00001571-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

FRIDAY, THE 14TH

)

JUSTICE *A.K. Mitchell*

)

DAY OF APRIL, 2023

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.

Respondents

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended

ORDER

THIS MOTION, made by MNP Ltd. ("MNP"), in its capacity as court-appointed receiver (the "Receiver") of the assets, undertakings and properties of Richmond Medical Centre Inc. and I Lov This Place 11 Inc. pursuant to the Order of the Honourable Mr. Justice Grace dated December 9, 2022 for an order:

- (a) to the extent necessary, abridging or waiving the time for service and filing of this Notice of Motion and all materials filed in support thereof, validating the method of service, and dispensing with further service so that this motion is properly returnable on April 14, 2023;

A409

- (b) approving the First Report to the Court of the Receiver dated March 9, 2023 (the "**Report**") and the activities and actions of the Receiver described therein;
- (c) approving the marketing and sale process for the Richmond Street Property and Oak Street Property, each as defined in the Report, as described in section 3.0 of the Report and the Confidential Supplement, as defined below, subject to such minor amendments to the sale process as deemed necessary or appropriate by the Receiver (the "**Sale Process**");
- (d) approving the Receiver's Statement of Receipts and Disbursements attached as Appendix "I" to the Report for the period ending February 28, 2023 (the "**Statement of Receipts and Disbursements**");
- (e) approving the professional fees of the Receiver and its legal counsel;
- (f) sealing the confidential supplement (the "**Confidential Supplement**") to the Report; and
- (a) such further and other relief as counsel may advise and this Honourable Court may deem just.

was heard this day by videoconference.

ON READING the Report and on hearing the submissions of counsel for the Receiver and such other counsel that were present as listed on the participant information sheet, no one else appearing for any other person on the service list, although duly served as appears from the affidavits of service, filed:

1. **THIS COURT ORDERS** that the time for and method of service of the notice of motion and the motion record are hereby abridged and validated, as necessary, so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Report and the activities and conduct of the Receiver described in the Report are hereby approved.
3. **THIS COURT ORDERS** that the marketing and sale process for the Richmond Street Property and Oak Street Property as described in section 3.0 of the Report and the Confidential Supplement, subject to such minor amendments as deemed necessary or appropriate by the Receiver, is hereby approved.
4. **THIS COURT ORDERS** that the Statement of Receipts and Disbursements be and the same is hereby approved.
5. **THIS COURT ORDERS** that the professional fees of the Receiver and its legal counsel, Miller Thomson LLP, as described in the fee affidavits of Rob Smith sworn March 8, 2023 and Michael Prosia sworn March 9, 2023, be and the same are hereby approved.
6. **THIS COURT ORDERS** that the Confidential Supplement shall be sealed until the earlier of a) the completion of the sales of the Richmond Street Property and Oak Street Property, and b) further order of this Court.


Justice, Ontario Superior Court of Justice

THE BANK OF NOVA SCOTIA		RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.		Court File No: CV-22-00001571-0000
and				
Applicant		Respondents		
ONTARIO				
SUPERIOR COURT OF JUSTICE				
Proceeding commenced at LONDON				
ORDER				
MILLER THOMSON LLP				
One London Place				
255 Queens Avenue, Suite 2010				
London, ON Canada N6A 5R8				
Tony Van Klink LSO#: 29008M				
tvanklink@millerthomson.com				
Tel: 519.931.3509				
Fax: 519.858.8511				
Lawyers for MNP Ltd., the court-				
appointed Receiver of Richmond				
Medical Centre Inc. and I Lov This Place				
11 Inc.				

BNSV. RICHMOND MEDICAL CENTRE INC. London Court file no. CV-22-1571
 and I LOVE THIS PLACE
 II INC. ONTARIO

SUPERIOR COURT OF JUSTICE

Pl/App: ~~THE~~ BANK OF NOVA Counsel: T. HOGAN.
 SCOTIA (1st ranking creditor).
 Def/Resp: 2505151 ONTARIO INC. Counsel: W. KAUFMANN
 (2nd ranking creditor)
 Heard: APRIL 14/23 via v/c
 Before: Justice A.K. MITCHELL

ENDORSEMENT

T. VANLINK - counsel for MNPLtd. Court-appointed
 Receiver of the
 defendant debtors.

Receiver's counsel advises the debtor companies
 are unopposed to the relief sought (i.e. approval
 of the Sale Process for the Richmond Street
 property and the Oak Street Property).

Both the 1st and 2nd ranking secured creditors
 consent to the Receiver's proposed Sale Process.

I am satisfied on the materials filed, including
 but not limited to the Confidential Supplemental
 Report (sealed) that the Sale Process is
 commercially reasonable in all respects, and
 should be approved. The collateral relief is also.

Order signed in Draft form provided, granted.

Mitchell J.

A.K. MITCHELL

APPENDIX D

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

-and-

RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.

Respondents

**SECOND REPORT TO THE COURT SUBMITTED BY MNP LTD.
RECEIVER**

December 12, 2023

Table of Contents

	<u>Page</u>
1.0 Introduction.....	2
1.1 Introduction and purpose of report	2
1.2 Purpose of Receiver's Second Report.....	3
2.0 Receiver's Activities Since the First Report.....	4
2.1 Richmond Street Property Listing	4
2.2 Property Manager	4
2.3 Residential Leases.....	4
2.4 Children's Clinic Lease	4
2.5 Demolition of Oak Street Property	5
2.6 Yostos' Medical Records.....	5
2.7 Government Accounts	6
2.8 Website	6
3.0 Statement of Receipts and Disbursements.....	7
4.0 Receiver and its Counsel's Accounts.....	8
5.0 Order Sought.....	9

Listing of Appendices

Appendix A	-	Appointment Order
Appendix B	-	First Report
Appendix C	-	Sales Process Order
Appendix D	-	Email to Telus regarding Dr. Yostos
Appendix E	-	Statement of Receipts and Disbursements
Appendix F	-	MNP Fee Affidavit
Appendix G	-	Miller Thomson Fee Affidavit

1.0 Introduction

1.1 Introduction and purpose of report

- 1.1.1** Richmond Medical Centre Inc. (“**Richmond Medical**”) is the owner of the real property and premises municipally known as 1653 Richmond St., London, Ontario (the “**Richmond Street Property**”) and the real property and premises municipally known as 125 Oak Street, Bothwell (the “**Oak Street Property**”). The Richmond Street Property is improved with a four-storey building consisting of commercial space on the main floor and nine residential apartment units on the upper floors. The Oak Street Property was improved with a dilapidated warehouse building which has since been demolished.
- 1.1.2** I Lov This Place 11 Inc. (“**I Lov This Place**” and collectively with Richmond Medical the “**Debtors**”) operated a medical clinic under the name “Children’s After Hours Medical Clinic” (“**Children’s Clinic**”) from leased space on the main floor of the Richmond Street Property building. The Children’s Clinic has ceased operating.
- 1.1.3** The principal of the Debtors is Elisabetta Jackson (“**Jackson**”).
- 1.1.4** Richmond Medical is indebted to The Bank of Nova Scotia (the “**Bank**”) in the approximate amount of \$7.5 million, plus accruing interest and costs of enforcement. I Lov This Place is indebted to the Bank in the approximate amount of \$160,000, plus accruing interest and costs of enforcement. Richmond Medical guaranteed payment to the Bank of the I Lov This Place indebtedness.
- 1.1.5** As security for their indebtedness to the Bank, the Debtors provided the Bank with the following security:
- first ranking charge/mortgage in the principal sum of \$13.75 million registered over the Richmond Street Property;
 - General Security Agreement dated August 31, 2017 from Richmond Medical; and
 - General Security Agreement dated August 31, 2017 from I Luv This Place
- 1.1.6** Richmond Medical is indebted to 2505151 Ontario Inc. (“**2505151**”) in the approximate amount of \$3.4 million, plus accruing interest and costs of enforcement. Richmond Medical has provided 2505151 with the following security:
- second ranking charge/mortgage in the principal sum of \$3,250,000 registered over the Richmond Street Property; and
 - first ranking charge/mortgage in the principal sum of \$3,250,000 registered over the Oak Street Property.
- 1.1.7** On July 12, 2022, due to various events of default pursuant to the terms of the Debtors financing agreements, the Bank demanded payment and issued Notices of Intention to Enforce Security to pursuant to the *Bankruptcy and Insolvency Act*.

1.1.8 On December 9, 2022, on the application of the Bank, the Honourable Mr. Justice Grace issued an Order (the “**Appointment Order**”) appointing MNP Ltd. as receiver (the “**Receiver**”) of the assets, undertakings, and properties of the Debtors, including the Richmond Street Property and Oak Street Property. A copy of the Appointment Order is attached as **Appendix A**. The Appointment Order is substantially in the form of the Model Receivership Order prepared by the Commercial Court Users Committee for use on the Commercial List.

1.1.9 The Appointment Order authorized, but did not obligate, the Receiver to, among other things:

- Take possession of and exercise control over the Debtors’ assets;
- To manage, operate, and carry on the business of the Debtors;
- Market any or all the Debtors’ assets and negotiate such terms and conditions of sale as the Receiver may deem appropriate; and,
- Sell, convey, transfer, lease or assign the assets out of the ordinary course of business without Court approval in respect of any single transaction not exceeding \$50,000 or \$150,000 in aggregate.

1.1.10 The Receiver filed one previous report with the Court dated March 9, 2023 (the “**First Report**”). A copy of the First Report without appendices and confidential supplement, is attached as **Appendix B**. The First Report was submitted in support of the Receiver’s motion for, among other things, approval of a sale process for the Richmond Street Property and Oak Street Property. A copy of the Order of Justice Mitchell dated April 14, 2023, approving the First Report and the sale process outlined therein is attached as **Appendix C** (the “**Sale Process Order**”).

1.2 Purpose of Receiver’s Second Report

1.2.1 This constitutes the Receiver’s Second Report to the Court (the “**Second Report**”) in this matter and is filed to:

- i. Provide an overview of the Receiver’s activities since the First Report and seek approval of those activities;
- ii. Provide an update to the Court with respect to the sale and offer solicitation process (“**SSP**”) commenced by the Receiver for the Richmond Street Property and Oak Street Property and seek approval of the recommended changes to same;
- iii. Obtain an Order,
 - a) approving the Second Report and the confidential supplement thereto, along with the activities of the Receiver detailed therein;
 - b) approving the updated SSP;
 - c) sealing the Confidential Supplement to the Second Report until completion of a sale of the Richmond Street Property or further Order of the Court;
 - d) approving the Receiver’s Statement of Receipts and Disbursements as at October 31, 2023; and,
 - e) approving the fees and disbursements of the Receiver and its legal counsel.

2.0 Receiver's Activities Since the First Report

2.1 Richmond Street Property Listing

- 2.1.1** The Richmond Street Property was listed with Colliers International London Ontario (“Colliers”) on June 1, 2023.
- 2.1.2** The listing has been managed according to the Sale Process Order. The Richmond Street Property was initially listed for sale at a list price of \$11.0 million. The list price has been reduced as follows:
- (i) on July 14, 2023 reduced to \$10.75 million;
 - (ii) on August 4, 2023 reduced to \$10.5 million;
 - (iii) on August 28, 2023 reduced to \$10.25 million; and,
 - (iv) on September 14, 2023 reduced to \$10.0 million.
- 2.1.3** To date four offers have been received for the Richmond Street Property. Due to the confidential nature of the offers received, the Receiver is providing details of the offers and the Receiver's recommendations for the ongoing SSP to the Court in the Confidential Supplement to the Second Report (the “Confidential Supplement”).
- 2.1.4** The Receiver is concerned about the negative market impact and prejudice which would be caused to the SSP of disclosing publicly the listing activity and strategy for the Richmond Street Property before a sale of the Richmond Street Property has been completed. Accordingly, the Receiver is requesting a sealing order for the Confidential Supplement.

2.2 Property Manager

- 2.2.1** As stated in the First Report, prior to the receivership Jackson performed all property management services for the Richmond Street Property. The Receiver initially retained Jackson to carry on in this role; however, due to poor information flow and unsatisfactory efforts to seek replacement tenants for vacant units, the Receiver deemed it necessary to find a replacement property manager.
- 2.2.2** The Receiver obtained three proposals from property management companies. After reviewing same with the secured lenders, the Receiver engaged Larlyn Property Management Ltd. (“Larlyn”) on June 29, 2023 to take over property management of the Richmond Street Property.

2.3 Residential Leases

- 2.3.1** There are nine residential apartment units on the upper three floors of the Richmond Street Property. At the date of the receivership one of the residential units was vacant, and one tenant had given notice of lease termination.
- 2.3.2** Since the Receiver's appointment all of the original tenants have terminated their leases. As of December 1, 2023 four units are occupied. Larlyn is working to fill the vacant units.

2.4 Children's Clinic Lease

- 2.4.1** The Children's Clinic terminated its lease and vacated the main floor of the Richmond Street Property in October, 2023. The lease term expires on July 1, 2027.

2.4.2 The Receiver has advised the Children’s Clinic that it will be held responsible for any lease payments due under the lease that the Receiver is not able to mitigate.

2.4.3 The Receiver has engaged Colliers to market the main floor for lease and source a new tenant(s).

2.5 Demolition of Oak Street Property

2.5.1 The Oak Street Property is a 0.15-acre parcel of land formerly improved with a warehouse building that had sustained significant damage. There was a partial roof collapse in 2021 caused by an overloading of shingle bundles. The Municipality of Chatham-Kent (“**Chatham-Kent**”) had issued a demolition permit prior to the receivership.

2.5.2 As set out in the SSP, the Oak Street Property was listed for sale June 9, 2023 with an opening list price of \$89,900 which was reduced to \$79,900 on August 11, 2023.

2.5.3 On June 12, 2023 the Receiver visited the Oak Street Property to find the building had been demolished. This was done by Jackson without the Receiver’s knowledge or consent.

2.5.4 The demolition was not complete. On August 29, 2023 Chatham-Kent issued an Order to Remedy Unsafe Building (the “**Oak Street Order**”) by September 21, 2023. The Oak Street Order required the septic system to be removed or decommissioned and removal of the remaining floor slab, foundation wall and footing.

2.5.5 The Oak Street Order was issued to the Receiver, Richmond Medical and Jackson.

2.5.6 The Receiver advised Chatham-Kent that the Receiver was not in possession of the Oak Street Property and requested that it be removed from the Order. Chatham-Kent did not consent to the request citing the Receiver’s financial interest in the Oak Street Property.

2.5.7 Chatham-Kent advised the Receiver that if the Oak Street Order was not complied with, it would tender the demolition of the remaining structure. The costs for this demolition will be added to the property tax account.

2.5.8 The Receiver later learned that Jackson did not pay the contractor she commissioned for the initial (incomplete) demolition. The contractor is owed \$17,515 for work completed and would charge \$5,100 to complete the additional work requested by Chatham-Kent.

2.5.9 On September 15, 2023 the listing agreement with O’Rourke Real Estate Inc. (“**O’Rourke**”) expired. O’Rourke was not willing to extend the listing.

2.5.10 Given the uncertain saleability of the Oak Street Property and potential for net recovery to the receivership after accounting for the yet to be quantified Chatham-Kent demolition costs and outstanding demolition costs incurred by Jackson, the Receiver has not yet pursued an alternate sale strategy for the Oak Street Property. The Receiver will reconsider the viability of a sale once the final demolition costs and amount added to the property tax account are known.

2.6 Yostos’ Medical Records

2.6.1 In July 2023, the Receiver was contacted by counsel for Dr. Marina Yostos (“**Dr. Yostos**”) regarding access to the medical records for her patients. Dr. Yostos carried on her practice in the Children’s Clinic. The medical records for Dr. Yostos’ patients were maintained through an electronic medical record (“**EMR**”) service provided by Telus. Following a dispute between Jackson and Dr. Yostos, Dr. Yostos access to the EMR was restricted.

2.6.2 Dr. Yostos brought a motion to lift the stay of proceedings and to restore her access to the EMR. On October 20, 2023, an Order (the “**Tranquilli Order**”) was made by Justice Tranquilli. As contemplated by that Order, the Receiver contacted Telus and requested that it restore Dr. Yostos’ remote administrator access to the EMR. A copy of the email sent by the Receiver to Telus on October 24, 2023 is attached as **Appendix D**. The Receiver did not receive a reply to the email.

2.6.3 On November 13, 2023, the Receiver and its counsel received an email from Jackson advising of her concerns regarding the Tranquilli Order and her intention to overturn and/or amend it. Neither the Receiver or its counsel have heard further from Jackson since that email.

2.7 Government Accounts

2.7.1 Canada Revenue Agency (“**CRA**”) has advised that there is approximately \$532,000 in HST owing by Richmond Medical, most of which relates to an assessment in 2019 because Richmond Medical did not provide supporting documents for Input Tax Credits claimed on prior returns under audit.

2.7.2 The Receiver filed the outstanding pre-receivership HST returns.

2.7.3 CRA conducted an examination of Richmond Medical’s HST accounts and returns filed for April through December 2022. The Receiver worked with Jackson to gather and remit all requested information.

2.7.4 The Receiver reviewed the details surrounding the 2019 assessment and options to appeal same; however, the appeal period had expired.

2.7.5 CRA has advised that I Lov This Place has no HST account; however, source deduction remittances are outstanding since 2020. CRA requested Jackson to file these returns to enable it to determine the outstanding amount. Jackson did not comply with the request. CRA has raised assessments for unpaid source deductions owing by I Lov This Place in the amount of \$176,584.

2.8 Website

2.8.1 The Receiver setup a website at <https://mnpdebt.ca/en/corporate/corporate-engagements/richmond-medical-centre-inc> to post documents relating to the receivership that should be available to public, including the Appointment Order and Receiver Reports.

3.0 Statement of Receipts and Disbursements

- 3.1.1** **Appendix E**, attached, is a summary of the Receiver's Statement of Receipts and Disbursements for the period ended October 31, 2023.
- 3.1.2** The Receiver generated receipts of \$286,338 from rental income.
- 3.1.3** The Receiver has made disbursements of \$99,374 before professional fees, primarily for insurance, utilities, property management and repairs and maintenance.
- 3.1.4** The Receiver has paid Professional Fees to date totalling \$68,232.
- 3.1.5** The Receiver has net receipts remaining in the receivership estate account of \$120,696.

4.0 Receiver and its Counsel's Accounts

- 4.1.1** Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 19 of the Initial Order, the Receiver and its counsel are required to pass their accounts.
- 4.1.2** As required in the Appointment Order, the Receiver is seeking the approval of its accounts and the accounts of its legal counsel for the receivership period to date.
- 4.1.3** The Receiver has submitted five invoices since the First Report, summarized as follows before HST:

June 29, 2023 - Excise Tax team re HST review	\$210.00
July 21, 2023 - Excise Tax team re HST account review and discussions with CRA	\$6,651.75
July 25, 2023 - Excise Tax team re response to HST examination	\$2,625.00
September 27, 2023 - Excise Tax team re response to HST examination	\$3,501.75
November 16, 2023 – MNP Ltd. Receiver Invoice for March 1 to October 31, 2023	\$95,000.00
Total	\$107,988.50

The invoices, together with the Receiver's affidavit of verification of fees, is attached as **Appendix F**.

- 4.1.4** Miller Thomson, the Receiver's legal counsel, has submitted six invoices since the First Report, summarized as follows before HST:

February 28, 2023	\$3,690.00
April 30, 2023	\$20,185.04
May 31, 2023	\$2,329.00
June 30, 2023	\$2,055.00
September 30, 2023	\$274.00
October 31, 2023	\$6,439.00

The invoices, together with Miller Thomson's affidavit of verification of fees, is attached as **Appendix G**.

- 4.1.5** It is the Receiver's opinion that the Professional Fees are fair and reasonable and justified in the circumstances and accurately reflect the work done by the Receiver and Miller Thomson in connection with the receivership during the relevant periods. The Receiver recommends approval of the Professional Fees by the Court.

5.0 Order Sought

- 5.1.1** We submit this Second Report to the Court and respectfully request that the Court make an order as requested in paragraph 1.2.1 above.

All of which is respectfully submitted this 12th day of December 2023.

**MNP Ltd.,
in its capacity as Court Appointed Receiver of
Richmond Medical Centre Inc. and I Lov This Place 11 Inc.
and without personal or corporate liability**



Per: _____
Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX E



ONTARIO SUPERIOR COURT OF JUSTICE
London

ENDORSEMENT / ORDER

CV-22-00001571-0000

Court File No.

BETWEEN

THE BANK OF NOVA SCOTIA

Plaintiff(s)/Applicant(s)

- and -

RICHMOND MEDICAL CENTRE INC. ; I LOV THIS PLACE 11 INC.

Defendant(s)/Respondent(s)

BEFORE: The SCJ MOTIONS

HELD BY: ☐ In person ☒ Videoconference ☐ Teleconference ☐ In writing ☐ Hybrid

DATE: January 12, 2024 at 10:00am

EVENT TYPE: Motion on notice

APPEARING: (Names and email addresses)

Plaintiff(s)/Applicant(s): THE BANK OF NOVA SCOTIA

Present ☐

Representative: Timothy Hogan (lprovost@harrisonpensa.com)

Present ☒

Defendant(s)/Respondent(s): RICHMOND MEDICAL CENTRE INC.

Present ☐

Representative: ~~ROD REFCIO~~ (refcio@mlaw.ca)

Present ☐

Defendant(s)/Respondent(s): I LOV THIS PLACE 11 INC.

Present ☐

Representative: ~~ROD REFCIO~~ (refcio@mlaw.ca)

Present ☐

Third Party or Parties

Representative:

Present ☒

Present ☐

RELIEF REQUESTED:

☐ Per notice of motion/application ☐ Per notice of appeal ☐ Other (specify):

Handwritten notes:
T. Van Klink - MNP. ✓
R. Smith - MNP. representative ✓
K. Bezprozvannykh → 2nd mortgage ✓
(cs1)
Ms. Jackson on behalf of Respondents present ✓

CV-22-00001571-0000

Court File No.

DISPOSITION:

- ☐ Order to go in the form of consent / draft order submitted
☐ Order to go as asked in paragraph(s) _____ of relief requested
☐ Costs of \$ _____ on a _____ indemnity basis
 are payable by _____ to _____ by _____, 20__.
☐ Parties to provide submissions as to costs of no more than _____ pages by _____, 20__.
☐ Parties to attend before me to make oral submissions on costs on _____, 20__.
☐ Other (specify below):
☐ No formal order need be taken out.

BRIEF REASONS (if any):

As. This matter was for a contested adjournment of the
 Receiver. MNP's application pursuant to s. 243(1) of the
 BIA and s. 104 of the C.B.A.

The principal debtor Ms. Jackson wishes an opportunity to
 respond to some of the items set out in the Receiver's
 2nd report dated December 12, 2023 as well as some
 items in the Statement of Receipts and Disbursements.
 Those are items b) and d) respectively of the draft
 order provided. She does not take any issue with
 the remainder of the order being sought including

Date

, 20__

Signature of Judicial Official

relating to the sale of the ~~property~~ property.
 Having reviewed the Confidential supplemental report
 provided, this Court approves the changes sought to
 the Sales Process.
 On consent, the order with items a) c) e) f)
 shall issue in the form of draft provided →

The balance of the Application shall
be adjourned to Feb. 16, 2024 @ 10am

The Respondent is to provide any materials
by Feb 9, 2024.

Mr. Van Klink will prepare an amended
order today for the Court's review.

Fornic Moore
Justice R.D. Moore.

Court File No.: CV-22-00001571-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MADAM)

FRIDAY, THE 12TH

JUSTICE MOORE)

DAY OF JANUARY, 2024

BETWEEN:



THE BANK OF NOVA SCOTIA

Applicant

- and -

RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.

Respondents

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended

ORDER

THIS MOTION, made by MNP Ltd. ("**MNP**"), in its capacity as court-appointed receiver (the "**Receiver**") of the assets, undertakings and properties of Richmond Medical Centre Inc. and I Lov This Place 11 Inc. pursuant to the Order of the Honourable Mr. Justice Grace dated December 9, 2022, for an order:


- (a) to the extent necessary, abridging or waiving the time for service and filing of this Notice of Motion and all materials filed in support thereof, validating the method of service, and dispensing with further service so that this motion is properly returnable on January 12, 2024;

- (b) approving the Second Report to the Court of the Receiver dated December 12, 2023 (the “**Report**”) and the activities and actions of the Receiver described therein;
- (c) approving the updated marketing and sale process for the Richmond Street Property, as defined in the Report, as described in section 2.0 of the Report and the Confidential Supplement, as defined below, subject to such minor amendments to the sale process as deemed necessary or appropriate by the Receiver (the “**Sale Process**”);
- (d) approving the Receiver’s Statement of Receipts and Disbursements attached as Appendix “E” to the Report for the period ending October 31, 2023 (the “**Statement of Receipts and Disbursements**”);
- (e) approving the professional fees of the Receiver and its legal counsel;
- (f) sealing the confidential supplement (the “**Confidential Supplement**”) to the Report; and
- (a) such further and other relief as counsel may advise and this Honourable Court may deem just.

was heard this day by videoconference.

ON READING the Report and on hearing the submissions of counsel for the Receiver, Lisa Jackson, personally, and such other counsel that were present as listed on the participant information sheet, no one else appearing for any other person on the service list, although duly served as appears from the affidavits of service, filed:

1. **THIS COURT ORDERS** that the time for and method of service of the notice of motion and the motion record are hereby abridged and validated, as necessary, so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the marketing and sale process for the Richmond Street Property as described in section 2.0 of the Report and the Confidential Supplement, subject to such minor amendments as deemed necessary or appropriate by the Receiver, is hereby approved.
3. **THIS COURT ORDERS** that the professional fees of the Receiver and its legal counsel, Miller Thomson LLP, as described in the fee affidavits of Rob Smith sworn December 11, 2023 and Michael Prosia sworn December 27, 2023, be and the same are hereby approved.
4. **THIS COURT ORDERS** that the Confidential Supplement shall be sealed until the earlier of a) the completion of the sale of the Richmond Street Property, and b) further order of this Court.
5. **THIS COURT ORDERS** that this motion for the relief set forth in paragraphs (b) and (d) above is adjourned to February 16, 2024. Elizabeth Jackson shall deliver any responding materials by no later than February 9, 2024.


Justice, Ontario Superior Court of Justice

THE BANK OF NOVA SCOTIA

and

RICHMOND MEDICAL CENTRE
INC. and I LOV THIS PLACE 11 INC.

Court File No: CV-22-00001571-0000

Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at LONDON

ORDER**MILLER THOMSON LLP**One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8**Tony Van Klink (LSO#: 29008M)**

tvanklink@millerthomson.com

Tel: 519.931.3509

Fax: 519.858.8511

**Lawyers for MNP Ltd., the court-
appointed Receiver of Richmond
Medical Centre Inc. and I Lov This Place
11 Inc.**

APPENDIX F



134
G37

Court File No.: CV-22-00001571-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.)

FRIDAY, THE 16TH

JUSTICE PERFETTO)

DAY OF FEBRUARY, 2024

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.

Respondents

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended

ORDER

THIS MOTION, made by MNP Ltd. ("**MNP**"), in its capacity as court-appointed receiver (the "**Receiver**") of the assets, undertakings and properties of Richmond Medical Centre Inc. and I Lov This Place 11 Inc. pursuant to the Order of the Honourable Mr. Justice Grace dated December 9, 2022, originally returnable on January 12, 2024 for an order:

- (a) to the extent necessary, abridging or waiving the time for service and filing of this Notice of Motion and all materials filed in support thereof, validating

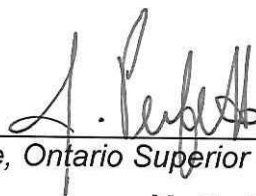
the method of service, and dispensing with further service so that this motion is properly returnable on January 12, 2024;

- (b) approving the Second Report to the Court of the Receiver dated December 12, 2023 (the "**Report**") and the activities and actions of the Receiver described therein;
- (c) approving the updated marketing and sale process for the Richmond Street Property, as defined in the Report, as described in section 2.0 of the Report and the Confidential Supplement, as defined below, subject to such minor amendments to the sale process as deemed necessary or appropriate by the Receiver (the "**Sale Process**");
- (d) approving the Receiver's Statement of Receipts and Disbursements attached as Appendix "E" to the Report for the period ending October 31, 2023 (the "**Statement of Receipts and Disbursements**");
- (e) approving the professional fees of the Receiver and its legal counsel;
- (f) sealing the confidential supplement (the "**Confidential Supplement**") to the Report; and
- (g) such further and other relief as counsel may advise and this Honourable Court may deem just.

and adjourned to this day with respect to the relief in paragraphs (b) and (d) above, was heard this day by videoconference.

ON READING the Report and on hearing the submissions of counsel for the Receiver, Lisa Jackson, personally, and such other counsel that were present as listed on the participant information sheet, no one else appearing for any other person on the service list, although duly served as appears from the affidavits of service, filed:

1. **THIS COURT ORDERS** that the Report and the activities and actions of the Receiver described therein are hereby approved.
2. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements attached as Appendix "E" to the Report for the period ending October 31, 2023 is hereby approved.



Justice, Ontario Superior Court of Justice

Mr. Justice
Joseph Perfetto

THE BANK OF NOVA SCOTIA

and

RICHMOND MEDICAL CENTRE
INC. and I LOV THIS PLACE 11 INC.

Applicant

Respondents

Court File No: CV-22-00001571-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at LONDON

ORDER

MILLER THOMSON LLP

One London Place

255 Queens Avenue, Suite 2010

London, ON Canada N6A 5R8

Tony Van Klink (LSO#: 29008M)

tvanklink@millerthomson.com

Tel: 519.931.3509

Fax: 519.858.8511

**Lawyers for MNP Ltd., the court-
appointed Receiver of Richmond
Medical Centre Inc. and I Lov This Place
11 Inc.**

APPENDIX G

AGREEMENT OF PURCHASE AND SALE

BETWEEN

**MNP LTD. SOLELY IN ITS CAPACITY AS THE COURT APPOINTED RECEIVER OF THE
ASSETS, UNDERTAKINGS AND PROPERTIES OF RICHMOND MEDICAL CENTRE INC.
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITIES**

AS VENDOR

- AND -

Aventus Developments Corp. in trust for a company to be incorporated

AS PURCHASER

August 1, 2024

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made as of August 1, 2024

BETWEEN:

MNP LTD., solely in its capacity as the Court-appointed receiver of the assets, undertakings and properties of **Richmond Medical Centre Inc.** (the "**Company**") and not in its personal or corporate capacities

(the "**Vendor**")

-and-

Aventus Developments Corp. in trust for a company to be incorporated under the laws of the Province of Ontario

(the "**Purchaser**")

Recitals

1. By Order of Mr. Justice Grace of the Ontario Superior Court of Justice dated December 9, 2022 (the "**Receivership Order**"), MNP Ltd. was appointed as receiver of all of the assets, undertakings and properties of the Company; and

2. The Vendor wishes to sell and the Purchaser wishes to purchase the Company's right, title and interest in and to the Purchased Assets (as defined herein) subject to the terms and conditions hereof.

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following capitalized terms shall have the following meanings:

- (a) **“Additional Encumbrances”** has the meaning given to it in Section 2.10(a);
- (b) **“Agreement”** means this agreement of purchase and sale, including all schedules;
- (c) **“Approval and Vesting Order”** means an order of the Court substantially in the form of the template Approval and Vesting Order for use on the Commercial List of the Court, (i) approving this Agreement and the completion of the Transaction by the Vendor, and (ii) vesting in the Purchaser, or as the Purchaser may direct, all of the right, title and interest, if any, of the Company in the Purchased Assets free and clear of any right, title or interest of the Company, the Vendor or any other Person, including any Encumbrances, save and except any Permitted Encumbrances;
- (d) **“Assumed Liabilities”** has the meaning given to it in Section 2.3;
- (e) **“Base Purchase Price”** has the meaning given to it in Section 2.5(a);
- (f) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (g) **“Closing”** means the completion of the Transaction upon the delivery of the deliverables and the performance of the arrangements in Section 6;
- (h) **“Closing Date”** means, subject to Section 6.1(b), the first Business Day following the date upon which the Approval and Vesting Order becomes Final, or such other date agreed to by the parties hereto in writing for the completion of the Transaction;
- (i) **“Company”** means Richmond Medical Centre Inc.;
- (j) **“Contaminant”** means any substance, material, matter or thing defined or regulated by any Environmental Law, including petroleum hydrocarbons or their derivatives, radon and radon daughters, asbestos, mould, UFFI, chlorinated hydrocarbons, pollutants, dangerous, toxic or hazardous substances or waste of any description whatsoever, including any of the foregoing as defined in any Environmental Law;
- (k) **“Court”** means the Ontario Superior Court of Justice;
- (l) **“Deposit”** has the meaning given to it in Section 2.6(a);
- (m) **“Encumbrances”** means all claims, liabilities, liens, mortgages, pledges, security interests, charges, restrictions and encumbrances of any kind or description, fixed or

MH

RS

contingent, accrued or unaccrued, arising under contract, tort, statute or otherwise affecting or in any way relating to the Purchased Assets;

- (n) **“Environmental Activity”** means any past or present activity, event or circumstance in respect of a Contaminant, including its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation or its release, escape, leaching, dispersal, emission, discharge or migration into the natural environment, including movement through or in the air, soil, subsoil, surface water or ground water, or in indoor spaces;
- (o) **“Environmental Indemnity”** has the meaning given to it in Section 3.3(d);
- (p) **“Environmental Laws”** means any and all federal, provincial, municipal and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, codes, permits, licenses, agreements or other governmental restrictions having the force of law relating to the environment, occupational health and safety, health protection or any Environmental Activity;
- (q) **“ETA”** means the *Excise Tax Act*, R.S.C. 1985, c.E-15, as amended;
- (r) **“Final”** with respect to any order of the Court, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Vendor and Purchaser) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired;
- (s) **“Leases”** means all executed and subsisting offers to lease, agreements to lease, leases, renewals of leases, tenancy agreements, rights of occupation, licences or other occupancy agreements granted by or on behalf of the Vendor or the Company to possess or occupy space within the Premises or any part thereof, now or hereafter, together with all security, guarantees and indemnities of the tenants’ obligations thereunder, in ~~each case as amended, extended, renewed or otherwise modified including, without limitation,~~ the leases described on Schedule A;
- (t) **“Liability”** means any debt, loss, damage, adverse claim, fine, penalty, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in or under statute, contract, tort, strict liability or otherwise) and

RS

ML

MH

RS

includes all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts, engineers, appraisers and consultants and costs of investigation);

- (u) **"Listing Broker"** means Colliers Southwestern Ontario, Brokerage;
- (v) **"Permitted Encumbrances"** means those encumbrances described on Schedule B to this Agreement;
- (w) **"Person"** includes an individual, body corporate, partnership, joint venture, trust, association, unincorporated organization, the Crown, any governmental authority or any other entity recognized by law;
- (x) **"Premises"** means the real property legally described on Schedule C, including all buildings, fixtures, erections and improvements thereon;
- (y) **"Purchased Assets"** means the Premises and the Leases, collectively;
- (z) **"Purchaser"** means Aventus Developments Corp. in trust for a company to be incorporated;
- (aa) **"Purchaser's Counsel"** means _____;
- (bb) **"Purchase Price"** has the meaning given to it in Section 2.5(a);
- (cc) **"Receiver's Certificate"** has the meaning given to that term in the Approval and Vesting Order;
- (dd) **"Receivership Order"** has the meaning given to it in the recitals to this Agreement;
- (ee) **"Requisition Date"** means the fifth Business Day immediately preceding the Closing Date;
- (ff) **"Sales Taxes"** has the meaning given to it in Section 2.9(a);
- (gg) **"Sales Taxes Indemnity"** has the meaning given to it in Section 2.9(b);
- (hh) **"Sunset Date"** means _____;
- (ii) **"Tenant"** means any person entitled to occupy space located in the Premises pursuant to a Lease;
- (jj) **"Tenants' Direction"** has the meaning given to it in Section 6.2(c);
- (kk) **"Time of Closing"** means 10:00 a.m. (EST) on the Closing Date, or such other time as the parties may mutually agree;
- (ll) **"Transaction"** means the purchase and sale of the Purchased Assets;
- (mm) **"Vendor"** means MNP Ltd. solely in its capacity as the court appointed receiver of the Company and not in its personal or corporate capacities; and
- (nn) **"Vendor's Counsel"** means Miller Thomson LLP.

MH RS

1.2 Headings

The division of this Agreement into recitals, articles, sections, subsections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction of interpretation hereof. The terms “this Agreement”, “hereof”, “herein”, “hereto” and similar expressions refer to this Agreement and not to any particular recital, article, section, subsection or schedule or other portion hereof. Unless something in the subject matter or context is inconsistent herewith, references herein to recitals, articles, sections and subsections and schedules are to recitals, articles, sections, subsections and schedules of this Agreement.

1.3 References

Any reference in this Agreement to a statute includes such statute, all regulations made thereunder and all amendments to such statute or regulations in force from time to time.

1.4 Extended Meanings

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

1.5 Schedules

The following are the Schedules to this Agreement:

- Schedule A – Leases
- Schedule B – Permitted Encumbrances
- Schedule C – Premises
- Schedule D – Additional Items and Buyer Conditions

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Subject to and in accordance with the terms and conditions hereof, the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor on Closing, all of

MH RS

the right, title and interest, if any, of the Company in the Purchased Assets free and clear of all Encumbrances, other than Permitted Encumbrances.

2.2 Leases and Tenancies

On Closing, the Purchaser shall assume all Leases and subsisting tenancies thereunder.

2.3 Assumed Liabilities

Subject to the terms and conditions of this Agreement, the Purchaser agrees that it will assume, discharge, perform, pay and fulfill and indemnify and save harmless the Vendor from and against the following Liabilities (collectively, the “**Assumed Liabilities**”):

- (i) all Liabilities in respect of the Purchased Assets arising or incurred from and after Closing; and
- (ii) all Permitted Encumbrances.

2.4 Obligations Excluded

The Purchaser shall not assume and shall not be responsible or liable with respect to any Liabilities of the Company other than those Liabilities arising from the Assumed Liabilities.

2.5 Purchase Price

- (a) The purchase price (the “**Purchase Price**”) payable by the Purchaser to the Vendor for the Purchased Assets is the sum of (i) See Schedule “D” (the “**Base Purchase Price**”), plus (ii) the Assumed Liabilities.
- (b) The Base Purchase Price shall be allocated to the Premises.

2.6 Deposit

- (a) The Vendor acknowledges receipt from the Purchaser prior to the date of this Agreement of a deposit in the amount of \$ See Schedule “D” (the “**Deposit**”) to be held in trust by the Vendor in an interest bearing account pending completion of the Transaction in accordance with this Agreement.
- (b) If the Transaction fails to close due to the Purchaser’s default, the Vendor, in addition to any other remedies that it may have, shall be entitled to retain the Deposit together with accrued interest as liquidated damages and not as a penalty. If the Transaction fails to

MJH RS

close or this Agreement is terminated for any reason other than the default of the Purchaser, the Purchaser shall be entitled to the immediate return of the Deposit together with accrued interest forthwith from the Vendor without any deduction or set off whatsoever.

2.7 Satisfaction of Purchase Price

- (a) At or prior to the Time of Closing on the Closing Date, the Purchaser shall pay and satisfy the Purchase Price as follows:
 - (i) the amount of the Deposit together with accrued interest shall be retained by the Vendor and credited toward the Base Purchase Price;
 - (ii) the balance of the Base Purchase Price shall be paid to the Vendor by wire transfer, certified cheque, bank draft or other immediately available funds; and
 - (iii) as to the dollar value of the Assumed Liabilities, by the assumption by the Purchaser of the Assumed Liabilities.
- (b) At least ten (10) days prior to the date on which the Vendor's application to the Court to obtain the Approval and Vesting Order is scheduled to be heard, the Purchaser shall provide to the Vendor satisfactory evidence that the Purchaser has readily available funds to satisfy the balance of the Base Purchase Price on the Closing Date.

2.8 Adjustments

- (a) Adjustments shall be made to the Base Purchase Price, as of 12:01 a.m. on the Closing Date (the Closing Date shall be for the account of the Purchaser, both as to income and expense), for realty taxes, local improvement rates, municipal/provincial levies and charges, water and assessment rates, utilities, fuel costs, and any other items which are usually adjusted in purchase transactions involving commercial properties in Ontario, provided that the only adjustments to be made in respect of the Leases shall be the following:
 - (i) the Purchaser shall receive a credit for all rents, including pre-paid rents, actually received by the Receiver in respect of the post-Closing period; and
 - (ii) the Vendor shall receive a credit for all unpaid rents for the month in which Closing occurs.

*M.H**RS*

- (b) The Vendor shall not be required to re-adjust after closing any item on or omitted from the statement of adjustments.
- (c) The Purchaser acknowledges that the Vendor shall be entitled to the benefit of any reduction in the property taxes payable with respect to the Premises for the period prior to the Closing Date.

2.9 Taxes

- (a) The Purchaser shall pay upon the completion of the Transaction, in addition to the Purchase Price, all applicable federal and provincial taxes exigible in connection with the completion of the Transaction including, without limitation, harmonized sales tax and land transfer tax (collectively the **"Sales Taxes"**). Alternatively, where applicable, the Purchaser shall have the option of furnishing the Vendor with appropriate exemption certificates and/or self-assessment indemnification documentation.
- (b) The Purchaser agrees to indemnify and save the Vendor harmless from and against all claims and demands for payment of any Sales Taxes, including any liability or costs incurred as a result of any failure by the Purchaser to pay such taxes when due (the **"Sales Taxes Indemnity"**).

2.10 Title

- (a) Title to the Premises shall be good and marketable title in fee simple free from all Encumbrances, save and except Permitted Encumbrances. The Purchaser shall be allowed at its expense and until the Requisition Date, to satisfy itself that on Closing it will acquire title to the Purchased Assets free of any Encumbrances other than the Permitted Encumbrances, that there are no outstanding work orders affecting the Premises, that the Premises are in compliance with governing municipal by-laws, and that the Premises may be insured for fire and extended coverage, and shall provide the Vendor's Counsel with notice in writing of any valid requisition or objection in respect of Encumbrances against the Purchased Assets or other defects in title by no later than 5 p.m. (Eastern Standard Time) on the Requisition Date. The Vendor agrees to take reasonable steps and utilize its best efforts to satisfy or comply with any such requisition. If the Vendor shall, through any cause, be unable to answer or comply with any valid requisition or objection which the Purchaser will not waive, this Agreement shall be at an end (notwithstanding any intervening negotiations or litigation or any attempt to remove

MJ

RS

or comply with the same) and the full amount of the Deposit together with accrued interest shall be returned to the Purchaser forthwith, without deduction or set-off, and the Purchaser shall not be entitled to any other compensation of any kind whatsoever with respect to the failure to satisfy or comply with such requisition. The Vendor shall not be required to furnish or produce any survey, abstract, deed, declaration or other document or evidence of title except those in its possession. The Vendor acknowledges that any Encumbrance which arises and affects the Purchased Assets after the Requisition Date ("**Additional Encumbrances**") shall be the responsibility of the Vendor and shall be discharged on or before Closing. If the Vendor is unable to discharge such Additional Encumbrances on or before Closing, then the Purchaser, at its sole option, shall be entitled to terminate this Agreement, and the full amount of the Deposit together with accrued interest shall be returned to the Purchaser forthwith, without deduction or set-off, and the Purchaser shall not be entitled to any other compensation of any kind whatsoever with respect to the failure to satisfy or comply with such requisition.

- (b) This Agreement and the Transaction is subject to compliance with Section 50 of the *Planning Act* (Ontario).

2.11 Risk

- (a) The Purchased Assets shall be and remain at the risk of the Vendor until Closing.
- (b) In the event of material (exceeding \$250,000) damage by fire or other hazard to the Premises or any part thereof occurring before the Closing Date, the Vendor shall immediately advise the Purchaser thereof by notice in writing. In that event, the Purchaser shall have the option of terminating the Transaction. Such option shall be exercised within two (2) Business Days after written notification to the Purchaser by the Vendor of the occurrence of the loss or damage, and upon such exercise, this Agreement shall be terminated automatically and the Purchaser shall be entitled only to a return of the Deposit with accrued interest and without deduction or set-off, and the Purchaser shall not be entitled to any other compensation of any kind whatsoever with respect to the failure to close as a result of such loss or damage. If such option is not exercised by the Purchaser, the parties shall complete the Transaction and the proceeds of insurance, if any, referable to such loss or damage shall be vested in the Purchaser on the Closing, and the Vendor shall (i) pay over to the Purchaser after the Closing any proceeds of insurance received by the Vendor forthwith after receipt thereof by the

MJ

RS

Vendor and (ii) use its best efforts to assist the Purchaser in the collection of such insurance proceeds, provided that the Vendor shall not be required to expend any moneys in such efforts.

- (c) Where any loss or damage is not material, then the Transaction shall be completed and the proceeds of insurance referable to such loss or damage or compensation for expropriation shall be vested in the Purchaser on the Closing, and the Vendor shall (i) pay over to the Purchaser after the Closing the proceeds, if any, of insurance or compensation for expropriation received by the Vendor forthwith after the Vendor's receipt thereof and (ii) use its best efforts to assist the Purchaser in the collection of such insurance proceeds or compensation for expropriation, provided that the Vendor shall not be required to expend any moneys in such efforts.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendor

The Vendor hereby makes the following representations and warranties to the Purchaser and acknowledges that the Purchaser is relying on such representations and warranties in entering into this Agreement and completing the Transaction:

- (i) Receivership Order. The Receivership Order is in full force and effect;
- (ii) Residency. The Vendor is not a non-resident person within the meaning of Section 116 of the *Income Tax Act* (Canada); and
- (iii) HST Registration. The Vendor shall be registered for the purposes of the ETA prior to the Closing and shall provide its registration number to the Purchaser on or prior to the Closing.

3.2 Representations and Warranties of the Purchaser

The Purchaser hereby makes the following representations and warranties to the Vendor and acknowledges that the Vendor is relying on such representations and warranties in entering into this Agreement and completing the Transaction:

- (a) Corporate Existence. The Purchaser is a corporation incorporated and existing under the laws of the Province of Ontario;

MJ

RS

- (b) Capacity and Due Authorization. The Purchaser has the necessary capacity to enter into this Agreement and perform its obligations under this Agreement and any other agreements or instruments to be delivered or given by it pursuant to this Agreement. The execution, delivery and performance by the Purchaser of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) Binding Agreement. This Agreement and any other agreements entered into pursuant to this Agreement to which the Purchaser is a party constitute legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (d) Brokers. The Purchaser has not engaged any broker or other agent in connection with the Transaction or this Agreement and, accordingly, there is no commission, fee or other remuneration payable to any broker or agent who purports or may purport to have acted for the Purchaser; and
- (e) HST Registration. At Closing, the Purchaser will be registered for the purposes of the ETA, and agrees to advise the Vendor of its HST number on or before Closing.

3.3 As Is, Where Is

- (a) The Purchased Assets are being sold on an “as is, where is” basis. The Purchaser has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets. The Purchaser has conducted such inspections and investigations concerning the Purchased Assets as the Purchaser considered appropriate and has satisfied itself concerning all matters affecting the Purchased Assets. No warranty or condition, either express or implied, statutory or non-statutory, oral or written has been or will be given by the Vendor as to the title, Encumbrances, description, condition, quality, value, cost, size, quantity, fitness for any present or intended purpose or use, merchantability, state of repair, degree of maintenance, durability, marketability, transferability, compliance or non-compliance with Environmental Laws or otherwise concerning the Purchased Assets save and except for the express warranties given in Section 3.1. The Purchaser acknowledges that it has already or will satisfy itself with respect to all such matters. Any documentation, materials or information provided by the Vendor or the Listing Broker to the Purchaser regarding the Purchased Assets, or any

M.H

R8

part thereof, was provided solely for the convenience of the Purchaser and is not warranted or represented to be complete or accurate and does not form part of this Agreement. The Purchaser shall and shall be deemed to rely entirely on its own inspectors and investigations concerning the Purchased Assets.

- (b) For greater certainty, the Vendor has not made and will not make any representation or warranty with respect to the Leases, the tenancies thereunder or the Tenants including, without limitation, the following matters:
- (i) whether rent deposits, damage deposits or like payments have been made or not;
 - (ii) the correctness of the calculation, both past and present, of all rent paid or payable in respect of the Leases;
 - (iii) the existence of any renewal rights or the terms associated with any renewal privileges;
 - (iv) the absence of any ongoing disputes with the Tenants with respect to any matter including the physical condition of the leased premises, any claim of set off, the existence of rent deposits or renewal privileges;
 - (v) the absence of any rights conferred upon the Tenants in any Lease or ancillary document granting to the Tenant additional rights or privileges, including rights of first refusal, options or any exclusivity or non-competition clause; and
 - (vi) the absence of any commitment made by the Company or any party acting on behalf of the Company to grant additional rights or privileges to the Tenants.
- (c) For greater certainty, the Vendor has not made and will not make any representation or warranty whatsoever as to (i) the existence or non-existence of Contaminants on the Premises, (ii) the compliance of the Premises with any Environmental Laws, (iii) the discharge of Contaminants or Environmental Activity from, on, or in relation to the Premises, and (iv) the existence, state, nature, identity, extent or effect of any investigations, administrative orders, control orders, stop orders, compliance orders or any other orders proceedings or actions under any Environmental Laws in relation to the Premises. The Purchaser acknowledges that it shall have no recourse against the Vendor with respect to the environmental condition of the Premises and has satisfied itself with respect to same.

- (d) The Purchaser shall indemnify and hold the Vendor harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses suffered or incurred by the Vendor, directly or indirectly, as a result of or in connection with any of the following:
- (i) the presence or release of any Contaminant in, on or under the Premises or the threat of a release;
 - (ii) any Environmental Activity relating to the Premises;
 - (iii) a breach by the Purchaser or those for whom the Purchaser is responsible of any Environmental Laws applicable to the Premises; or
 - (iv) the release or threatened release of any Contaminant owned, managed, generated, disposed of, controlled or transported by or on behalf of the Purchaser.
- (the “**Environmental Indemnity**”)
- (e) This Section 3.3 shall not merge on Closing and is deemed incorporated by reference into all Closing Documents.

ARTICLE 4 CONDITIONS OF CLOSING

4.1 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) Representations and Warranties: The representations and warranties of the Vendor made in or pursuant to this Agreement shall be true and accurate at the Time of Closing with the same force and effect as though such representations and warranties had been made as of the Time of Closing; and
- (b) Fulfillment of Obligations: the Vendor shall have complied in all material respects with all agreements and obligations herein agreed to be performed or caused to be performed by it at or prior to the Time of Closing.

The conditions contained in this Section 4.1 are inserted for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time without prejudice to any of its rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 4.1 is not

MH RS

fulfilled or complied with at or prior to the time for the fulfillment of same, the Purchaser may terminate this Agreement by notice in writing to the Vendor.

4.2 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) Representations and Warranties: The representations and warranties of the Purchaser made in or pursuant to this Agreement shall be true and accurate at the Time of Closing with the same force and effect as though such representations and warranties had been made as of the Time of Closing;
- (b) Fulfillment of Obligations: The Purchaser shall have complied in all material respects with all agreements and obligations herein agreed to be performed or caused to be performed by it at or prior to the Time of Closing; and
- (c) No Redemption or Loss of Control: the Vendor shall not have lost its ability to convey the Purchased Assets or any part thereof.

The conditions contained in this Section 4.2 hereof are inserted for the exclusive benefit of the Vendor and may be waived in whole or in part by the Vendor at any time without prejudice to any of the Vendor's rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 4.2 hereof are not fulfilled or complied with at or prior to the Time of Closing, the Vendor may terminate this Agreement by notice in writing to the Purchaser.

4.3 Mutual Conditions

The obligations of each of the Vendor and the Purchaser to complete the Transaction is subject to the satisfaction of the following conditions precedent, which are for the mutual benefit of the Vendor and Purchaser:

- (a) No Legal Action: No action or proceeding shall be pending or threatened by any person to enjoin, restrict or prohibit the completion of the Transaction or the right of the Purchaser to own the Purchased Assets after the Time of Closing; and
- (b) Approval and Vesting Order: the Approval and Vesting Order shall be obtained and shall be Final.

MH RS

The conditions contained in this Section 4.3 are inserted for the mutual benefit of the Vendor and the Purchaser and may be waived in whole or in part by the Vendor and the Purchaser. If any of the conditions contained in this Section 4.3 are not fulfilled or complied with at or prior to the Time of Closing, the Vendor and the Purchaser may each terminate this Agreement by notice in writing to the other.

4.4 Effect of Termination

In the event of termination of this Agreement at or prior to the Time of Closing pursuant to Sections 4.1, 4.2 or 4.3, all obligations of the Parties pursuant to this Agreement shall be at an end, the Deposit, with accrued interest, shall be returned to the Purchaser, without set-off or deduction, and neither party shall have any further liability or obligation to the other by virtue of or under this Agreement.

ARTICLE 5 APPROVAL AND VESTING ORDER

5.1 Approval and Vesting Order

Subject to the availability of the Court, as soon as practicable after the execution of this Agreement by all parties, the Vendor shall file a motion with the Court for the issuance of, and shall use its best efforts to obtain, the Approval and Vesting Order. Notice of the motion seeking the issuance of the Approval and Vesting Order shall be served on the service list in the Company's receivership proceeding, all Persons having a registered Encumbrance against the Premises, and such other Persons as the Purchaser may reasonably request. Prior to the service of the motion to obtain the Approval and Vesting Order, the Vendor shall provide to Purchaser's Counsel the service list for the motion. If the Purchaser shall not have communicated its acceptance of, or provided comments in respect of, the proposed service list within two (2) business days of receipt of such list by the Purchaser's Counsel, the Purchaser shall be deemed to have approved such list.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Date, Place and Time of Closing

- (a) Unless otherwise agreed by the parties in writing, the Closing shall take place at the Time of Closing on the Closing Date at the offices of the Vendor's solicitor or as otherwise determined by mutual agreement of the parties in writing. The Vendor and the

M.H. *R8*

Purchaser acknowledge that the Transaction insofar as it relates to the Premises will be completed by electronic registration pursuant to Part III of the *Land Registration Reform Act*, R.S.O. 1990, c. L4, as amended. The Vendor and the Purchaser further acknowledge and agree that the delivery of documents and the release thereof to the Vendor and the Purchaser shall be governed by a Document Registration Agreement to be entered into between the Purchaser's Counsel and the Vendor's Counsel substantially in the form of the Agreement adopted by the Law Society of Upper Canada, provided the Document Registration Agreement shall in no way be inconsistent with any of the terms or conditions of this Agreement.

- (b) In the event any issue is raised with respect to this Agreement which the Vendor determines impairs the ability of the Vendor to complete this Agreement or in the event that an action or proceeding shall be pending or threatened by any Person to enjoin, restrict or prohibit the completion of the Transaction or the right of the Purchaser to own the Purchased Assets after the Time of Closing, the Vendor may, but shall not be obliged to, extend the Closing Date up to, but not beyond, the Sunset Date in order to provide the Vendor with additional time to remove the impediment to the completion of the Transaction.

6.2 Deliveries at Closing

- (a) At or prior to the Closing, the Vendor shall deliver to the Purchaser the following:
- (i) a Statutory Declaration of the Vendor that it is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada);
 - (ii) a notarial copy of the Receivership Order, Approval and Vesting Order and such documents as necessary to register same against title to the Premises;
 - (iii) all keys, security cards, alarm codes and access codes for the Premises in the Vendor's possession;
 - (iv) a Certificate of the Vendor certifying that, except as disclosed in the Certificate, the Vendor has not been served with any Notice of Appeal with respect to the Receivership Order, Approval and Vesting Order, or any notice of any application, motion or proceeding seeking to set aside or vary the Receivership Order, Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction;

- (v) a Certificate, dated the Closing Date, confirming that all representations and warranties of the Vendor contained in this Agreement are true as of the Time of Closing, with the same effect as though made on and as of the Time of Closing;
 - (vi) an Acknowledgment, dated the Closing Date, that each of the conditions precedent in Section 4.2 of this Agreement have been fulfilled, performed or waived as of the Time of Closing;
 - (vii) the Receiver's Certificate;
 - (viii) a Statement of Adjustments, to be delivered not less than two (2) Business Days prior to Closing;
 - (ix) the Vendor's non-merger Certificate relating to Section 7.2 in form and substance satisfactory to the Purchaser, acting reasonably;
 - (x) a receipt for the Base Purchase Price; and
 - (xi) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement insofar as it relates to the completion of the Transaction.
- (b) At or prior to the Closing, the Purchaser shall deliver to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:
- (i) payment of the balance of the Base Purchase Price payable to the Vendor, or as the Vendor may in writing direct, by certified cheque, bank draft, wire transfer or other immediately available funds;
 - (ii) a Certificate, dated the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Time of Closing, with the same effect as though made on and as of the Time of Closing;
 - (iii) an Acknowledgment dated the Closing Date, that each of the conditions precedent in Section 4.1 have been fulfilled, performed or waived as of the Time of Closing;
 - (iv) the Purchaser's non-merger certificate relating to Section 7.2 in form and substance satisfactory to the Vendor, acting reasonably;
 - (v) such directions, acknowledgments and other documents as may be necessary or desirable to ensure that the benefit of any reduction in the property taxes

*MH**RS*

- payable with respect to the Premises for the period prior to the Closing Date is received by the Vendor;
- (vi) payment or evidence of payment of applicable federal and provincial taxes or alternatively, appropriate exemption certificates;
 - (vii) the Sales Tax Indemnity;
 - (viii) the Environmental Indemnity; and
 - (ix) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement insofar as it relates to the completion of the Transaction.
- (c) The Purchaser acknowledges that the Vendor shall not be obliged to provide on Closing any documentation with respect to the Leases other than (i) a direction to Tenants instructing them to pay future rent to the Purchaser pursuant to the Purchaser's direction (the "**Tenants' Direction**"), and (ii) such information as the Receiver may have in hand relating to the names of the Tenants, the amount of the monthly rent paid to the Receiver, the date of the month on which the rent is paid and whether the rent has been paid for the current month, together with any leases or renewal agreements which are actually in the Vendor's possession.
- (d) The Purchaser acknowledges that the Vendor shall not be obliged to provide keys to any of the rental premises other than as are in the Vendor's possession, signed acknowledgements, estoppel certificates or any other documents signed by the Tenants confirming the terms of the Leases or the absence of any dispute with respect to the Leases.

6.3 Possession of Assets

- (a) The Vendor shall remain in possession of the Purchased Assets until the Time of Closing. Upon the completion of the Transaction, the Vendor shall yield up possession of the Purchased Assets to the Purchaser and the Purchaser shall take possession of the Purchased Assets. Title to the Purchased Assets shall not pass to the Purchaser until the completion of the Transaction and the Receiver's Certificate has been delivered to the Purchaser.
- (b) The Vendor shall be entitled, but shall not be obligated, to remove from the Premises any chattels, books, records, documents or other personal property situate on the Premises which does not form part of the Purchased Assets.

MH RS

ARTICLE 7 GENERAL

7.1 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by confirmed facsimile or sent by prepaid courier with tracking facilities addressed as follows:

(a) if to the Purchaser:

Attn: _____
Fax No. _____
E-mail: _____

With a copy to:

(which copy shall
be required)

Fax No.: _____
Email: _____

(b) if to the Vendor: MNP Ltd.

557 Southdale Road East, Suite 201
London, ON N6E 1A2
Fax No.: (519) 964-2210
Email: rob.smith@mnp.ca
Attn: Rob Smith, CIRP, LIT, CPA, CA

with a copy to:
(which copy shall be
required)

Miller Thomson LLP
2010-255 Queens Avenue
London, ON N6A 5R8
Fax No.: (519) 858-8511
Email: tvanklink@millerthomson.com
Attn: Tony Van Klink

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day). Any party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 6.1.

MH

RS

7.2 Survival Following Completion

Notwithstanding any other provision of this Agreement, Sections 2.3, 2.8(c), 2.9(b) and 3.3 shall survive the termination of this Agreement and the completion of the Transaction. Provided that upon the discharge of the Vendor as receiver, the Vendor's obligations by reason of same shall be at an end and the Vendor shall have no continuing obligations by reason thereof.

7.3 Assignment and Enurement

This Agreement may be assigned by the Purchaser to a company or companies to be incorporated by the Purchaser but the assignment of the Agreement shall not release the Purchaser from any liability for non-completion of this Agreement, including without limitation, the payment of the Purchase Price. The Purchaser, together with any party to which the Purchaser assigns this Agreement or any portion thereof, shall be jointly and severally liable for all obligations and liabilities of the Purchaser under this Agreement, including any obligations and liabilities arising from the failure to complete the Transaction. Any assignment of this Agreement by the Purchaser shall also be deemed to assign the Deposit (or a portion thereof). In the event that this Agreement is executed by the Purchaser "in trust" for another party, the party executing this document shall be personally liable for the fulfillment of the obligations of the Purchaser hereunder.

7.4 Expenses

Unless otherwise provided herein, the Vendor and the Purchaser shall be responsible for the expenses (including fees and expenses of legal advisors, accountants and other professional advisers) incurred by them, respectively, in connection with the negotiation and settlement of this Agreement and the completion of the Transaction. In the event of termination of this Agreement, other than as a result of non-fulfillment of a condition in Sections 4.1, 4.2 or 4.3, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from a breach of this Agreement by the other party.

7.5 Further Assurances

Each of the parties shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other parties hereto may reasonably require from time to time after Closing at the expense of

*MH**RS*

the requesting party for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. The Purchaser shall provide such reasonable assistance to the Vendor as the Vendor may require in the preparation and completion of various statutory and of the documentation required in connection with the administration of the receivership of the Companies. Provided that upon the discharge of the Vendor as receiver, the Vendor's obligations under this paragraph shall be at an end and the Vendor shall have no continuing obligation under this paragraph.

7.6 Entire Agreement

This Agreement, including all Schedules referenced herein and attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided. No reliance is placed by any party hereto on any warranty, representation, opinion, advice or assertion of fact made by any party hereto or its directors, officers, employees or agents, to any other party hereto or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included in this Agreement.

7.7 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

7.8 Currency

All references to dollar amounts or "\$" in this Agreement are references to the lawful money of Canada.

*M.H**RS*

7.9 Rights Cumulative

The rights and remedies of the parties hereunder are cumulative and not alternative.

7.10 Vendor's Capacity

The Vendor is acting solely in its capacity as receiver of the Companies and shall have no personal or corporate liability under this Agreement.

7.11 Governing Law

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, and each of the parties irrevocably attorns to the Courts of the Province of Ontario.

7.12 Time of Essence

Time shall be of the essence of every provision of this Agreement provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors.

7.13 Execution and Delivery

This Agreement and any agreement or instrument delivered in accordance herewith, may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. Transmission by facsimile or electronic transmission in "pdf" format of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[signature page follows]

MH RS

**Aventus Development Corp. in trust for a
company to be incorporated**

Per: *Michael Hendrie* **08/01/2024**
Name: Michael Hendrie
Title: I have authority to bind the Company

MNP Ltd., solely in its capacity as court
appointed receiver of the assets, undertakings
and properties of **Richmond Medical Centre
Inc.** and not in its personal or corporate
capacities

Per: *Robert Smith* **08/01/2024**
Rob Smith, CIRP, LIT, CPA, CA,
Senior Vice-President
I have authority to bind the Vendor

SCHEDULE A

Leases

MJ RS

SCHEDULE B**Permitted Encumbrances**

1. The reservations, limitations, provisos, conditions, restrictions and exceptions expressed in the letters patent or grant from the Crown and all statutory exceptions to title;
- RS* 2. The provisions of governing municipal by-laws;
- MH* 3. Municipal taxes, ~~fees~~, charges, including hydro and water charges, rates and assessments accruing from day to day and not yet due and payable;
4. Any minor encroachments which might be revealed by an up to date survey of the Premises but which do not materially adversely affect the use and marketability of the Premises;
5. Any right of expropriation conferred upon, reserved to or vesting in Her Majesty the Queen in Right of Canada and Ontario;
6. Any agreements, restrictions or covenants that run with the Premises and any agreements with the municipal, utilities or public authorities provided that same have been complied with in all material respects and do not materially adversely affect the use and marketability of the Premises;
7. Any easements, rights of way or right of re-entry which do not impair the intended use of the Premises by the Purchaser, provided that same have been complied within all material respects and do not materially adversely affect the use and marketability of the Premises; and
8. The following instruments registered on title to the Premises in the Middlesex Land Registry Office:

Reg. No.	Date	Instrument Type
118887	1959/04/09	Bylaw
286285	1969/05/14	Bylaw
33R19375	2015/12/18	Plan Reference
33R19479	2016/06/03	Plan Reference
ER1063272	2016/09/14	Transfer Easement
ER1065626	2016/09/28	Notice
ER1164320	2018/04/12	Notice

*MH**RS*

SCHEDULE C**Premises**

PART LOT 28, RCP 1029, DESIGNATED AS PART 1, 33R19375; TOGETHER WITH AN EASEMENT OVER PARTS 2, 3, 4, 5 AND 7 33R19479 AS IN ER1063273; SUBJECT TO AN EASEMENT OVER PART 1, 33R19479 IN FAVOUR OF PART LOT 23-27, RCP 1029, PARTS 1, 3, 5, 7, & 9, 33R19435 AS IN ER1063272; CITY OF LONDON and municipally known as 1653 Richmond Street, London, Ontario (PIN: 08066-0197)

*MH**RS*

SCHEDULE DAdditional Items and Buyer Conditions

RS For the purposes of this Schedule, "Buyer" shall have the same meaning as is set out in the definition of "Purchaser" in the Agreement of Purchase and Sale, and "Seller" shall have the same meaning as is set out in the definition of "Vendor" in the Agreement of Purchase and Sale.

PURCHASE PRICE

RS Further to Section 2.5 (a), the Purchaser

MJ Further to Section 2.6 (a), the Buyer shall provide two (2) deposits:

1. First Deposit: [REDACTED] refundable deposit to be received within five (5) business days of an accepted Agreement of Purchase and Sale.
2. Second Deposit: [REDACTED] refundable deposit to be received within five (5) business days of waiver of all Buyer Conditions herein.

The Deposits shall be held by the Seller's Lawyer, in Trust, and credited toward the Purchase Price on Completion. Deposits to be placed in an interest-bearing account.

RS ~~IRREVOCABILITY~~ ~~Seller~~ ~~Buyer~~ ~~8th~~ ~~RS~~ ~~12th~~ *MJ RS*

This offer shall be irrevocable by the ~~Seller~~ until 4:00pm on the ~~8th~~ day of August after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

CLOSING DATE

Further to section 1.1 (h), the Closing Date shall be 30 days after the later of: *MJ RS*

- ~~1. The Buyer waives its due diligence conditions; or~~ *MJ RS*
2. The Seller obtaining approval of a Vesting Order.

~~BUYER'S CONDITIONS~~

The Buyer shall, at the Buyer's expense, have up to 30 days after the mutual acceptance of the Agreement of Purchase and Sale to investigate the Property (the "Due Diligence Period") herein based on the following:

- a) Buyer being satisfied with the results of the environmental audit which is to be completed in its sole and absolute discretion; and *MJ RS*
- b) Buyer being satisfied with the results of the property inspections in its sole and absolute discretion.

In the event that Buyer is not satisfied by its results of the due diligence, in its sole and unfettered discretion the deal shall be null and void and the Deposit shall be returned immediately without deduction to the Buyer as defined in the Agreement of Purchase and Sale.

MJ RS

INSPECTION

The Buyer and any of its authorized representatives shall have the right to enter and inspect the Property on an as needed basis, with at least 24 hours' notice. The Buyer shall have the right to measure, plan, conduct tests, remove building, soil, or core samples as it deems necessary provided that any damage is cured and the Property be returned to the condition that was found prior to such damage, at the Buyer's expense; not to exceed four (4) visits.

ASSIGNMENT

The Buyer shall have the right at any time prior to closing, to assign the within Offer to any person, persons or corporation, either existing or to be incorporated, and upon delivery to the Seller of notice of such assignment, together with the assignee's covenant in favour of the Seller to be bound hereby as Buyer, the Buyer herein before named shall not stand released from all further liability here under.

ASSESSMENT, TAX & VERIFICATION

The Parties to the agreement understand that property assessments and taxes can change for many reasons and cause errors in tax information provided by Real Estate Agents. The Parties will not hold each other or any agent responsible for errors involving assessments and taxes, or adjustments in assessments and taxes that may or may not occur. The Parties agree that any outstanding tax appeals or over payment of taxes are the responsibility of the Seller and shall be adjusted on closing or upon settlement of appeal. The Buyer is responsible to verify condition, site size, etc. within their due diligence period. They will not hold the Real Estate Agents responsible for information received from 3rd party publications i.e. MPAC, City / Municipality, MLS, etc.

DISCLOSURE

The parties acknowledge that the information provided by the agent(s) is not legal, tax, zoning, or environmental advice, and that it has been recommended to the parties to obtain independent professional advise prior to signing this document.

ELECTRONIC SIGNATURES

The parties hereto consent and agree to the use of electronic signature pursuant to the Electronic Commerce Act 2000, S.O. 2000, c17 as amended from time to time with respect to this Agreement and any other documents respecting this transaction.

DOCUMENTATION

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or PDF form and the parties adopt any signatures received by a receiving fax machine or e-mail as original signatures of the parties. The parties hereby acknowledge and agree that for the purpose of offer, acceptance and execution of this Letter, an executed facsimile or PDF copy shall constitute an original executed copy.

MH

RS

APPENDIX H



Property Type : Medical Office / Residential Building

Address : 1653 Richmond Street,
City of London,
Province of Ontario

Appraiser : Matt Telford, BA, AACI, P. App

Client : MNP LLP

Effective Date : January 11, 2023

Report Date : January 25, 2023

Valco File # : 0123-40225/MT



759 Hyde Park Road, Suite 251
 London, Ontario, N6H 3S2
 519.667.9050
 800.305.2650
 F: 519.667.9087
www.valcoconsultants.com

MNP LLP
 557 Southdale Road East, Suite 201
 London, ON
 N6E 1A2

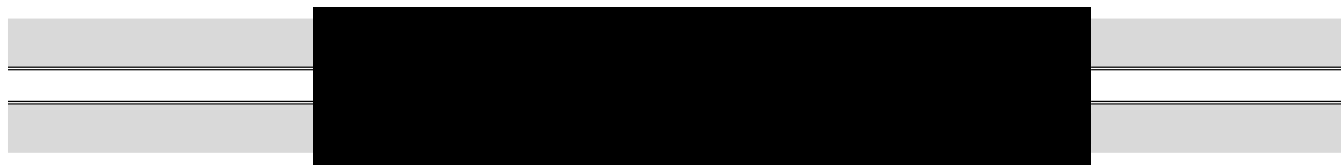
Report Date: January 25, 2023
 Valco File #: 0123-40225/MT

Attention: Mr. Rob Smith | rob.smith@mnp.ca

As requested, I completed an investigation and valuation analysis to estimate the January 11, 2023, Current Market Value of the Leased Fee Interest of a medical office / residential property. The site is improved with a four-storey medical office and residential building, containing a building area of approximately 24,209 square feet (as per plans provided). The main floor of the building is owner occupied, operating as the Children's After Hours Clinic, along with a small pharmacy. Each of the upper floors contains three luxury apartments, for a total of nine apartment units. The Subject site contains 0.52 acres, and is municipally known as:

1653 RICHMOND STREET, LONDON, ONTARIO

I personally inspected the Subject Property on January 11, 2023, and analysed information considered pertinent to the valuation. Data, information, and calculations leading to the value conclusions are incorporated in the report following this letter. The report in its entirety, is an integral part of and inseparable from this letter. Based on this inspection, analyses and subject to all assumptions and limiting conditions found on the 82-page report and addenda, the Current Market Value of the Leased Fee Interest, as at the specified date, is estimated at:



Note to Reader: The valuation estimate above is subject to the Extraordinary Assumption(s) and Hypothetical Condition(s), see page 12.

This is a Narrative Appraisal Report prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). The report describes the method and approach to value in support of the conclusions and contains pertinent data gathered in our investigation of the market. The client acknowledges that the attached report is confidential and agrees not to disclose the information contained herein to a third party without the expressed authority of the undersigned. If you have any questions, I would be pleased to discuss the valuation further.

Respectfully submitted,
VALCO CONSULTANTS INC.

Matt Telford, BA, AACI, P. App
 AIC Member # 904290
 (519) 667-9050, Extension 241
mtelford@valcoconsultants.com

TABLE OF CONTENTS

Executive Summary	4
Purpose and Intended Use of Appraisal.....	8
Property Rights Appraised.....	8
Definition of Personal Property.....	8
Definition of Market Value.....	9
Current Value Opinion.....	9
Definition of Reasonable Marketing Time.....	10
Definition of Reasonable Exposure Time.....	10
Anticipated Public or Private Improvements	11
Types of Appraisal Reports	11
Extraordinary Limiting Conditions	12
Extraordinary Assumptions and Hypothetical Conditions	12
Scope of the Assignment	13
Area and Neighbourhood Description	14
Municipal Services, Roads and Utilities	21
Site Description	23
Property Ownership History	24
Legal Description	24
Assessment and Taxes	24
Description of Improvements.....	25
London Plan.....	33
Zoning.....	34
Highest and Best Use.....	37
Additional Consideration	38
Approaches to Value.....	39
Direct Comparison Approach.....	40
Income Approach	62
Correlation and Final Estimate of Value.....	76
Appraiser's Certification.....	77
Addenda.....	78
Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability	79
Resume of Qualifications	81

EXECUTIVE SUMMARY

Property Type	:	Medical Office/Residential Property
Municipal Address	:	1653 Richmond Street, London, Ontario
Legal Description	:	The Subject Property municipally addressed as 1653 Richmond Street is legally described as Part Lot 28, RCP 1029, Designated As Part 1, 33R19375 Together With An Easement Over Parts 2, 3, 4, 5 And 7 33R19479 As In ER1063273 Subject To An Easement Over Part 1, 33R19479 In Favour Of Part Lot 23-27, RCP 1029, Parts 1,3,5,7, & 9, 33R19435 As In ER1063272 City of London, Middlesex County, Province of Ontario
Property Identification Number (PIN)	:	08066-0197
Assessment Roll Number	:	39.36.010.680.08803.0000
Registered Owners	:	Richmond Medical Centre Inc.
Client/Intended Users	:	MNP LLP
Inspection Date	:	January 11, 2023
Effective Date	:	January 11, 2023
Type of Report	:	Narrative
Intended Use of the Appraisal	:	The sole intended use of this appraisal and the Current Market Value of the Leased Fee Interest estimate is to assist with potential sale purposes. It was not based on a requested minimal valuation, a specific valuation, or the approval of a loan or investment, nor was the compensation contingent upon the amount of the value reported herein.
Market Value	:	Current Market Value
Property Interest	:	Leased Fee Interest
Site Description	:	The Subject site is basically rectangular in shape, being situated on the southwest corner of Richmond Street and Hillview Boulevard. The site is relatively level, at grade with the adjoining roads and is accessed from Hillview Boulevard. The site has 75.0' of frontage along Richmond Street and secondary frontage of 302.49' along Hillview Boulevard. The total site contains approximately 0.52 acres (22,687 square feet). The site has 16 parking spaces and a rain garden at the rear of the site, as well as access to the underground parking garage.
Description of Improvements	:	The site is improved with a four storey, medical office / residential building. The building is of newer construction (2017) and is in very good condition. The property contains a building area of 24,209 square feet, with approximately 6,108 square feet on the main floor and 6,034 square feet on each of the upper floors. The majority of the main floor is owner

occupied, operating as a medical clinic (5,108 sf). The main floor has a main entrance, main reception, waiting area, hallways, washrooms, staff room, as well as individual exam rooms / offices. There is a rear hallway that accesses a stairwell and elevator which is used by the apartment tenants. The second, third and fourth floors are made up of three residential units each and range from 1,600 square feet to 2,000 square feet – the units on the East side being 1,600 square feet, units on the West side 1,700 square feet and the units in the middle section being 2,000 square feet. The units are large in size, have very good layouts and a high level of finish, being in very good condition. Each unit contains two bedrooms (middle units have a den), two washrooms, open concept kitchen / living room, large windows, fireplace, 12' - 16' ceiling height and a 12' x 6' balcony. The building also features an underground parking garage, with 28 parking spaces and an asphalt-paved above-ground parking lot with 16 parking spaces. The Subject building is in very good condition, being of newer construction, with no significant items of deferred maintenance noted or reported at the time of inspection.

Municipal Services and Utilities	:	The Subject Property reportedly has full municipal services and utilities available to the site are indicated to include storm and sanitary sewers, hydro, municipal water, natural gas and telephone, along with police and fire protection. It has been assumed that the services available to the Subject Property are in adequate quality and quantity to service the Highest and Best Use of the site as if vacant and as improved.
Current Use	:	Medical Office/Residential Property
London Plan	:	Neighbourhoods
Zoning	:	R9-7(23) - Residential R9 Zone
Conservation Authority	:	The Subject Property does not appear to be within a regulated area.
Highest and Best Use as Improved	:	It is the appraiser's opinion the Highest and Best Use for the Subject Property would be represented by a continuation of its current commercial and residential use, in accordance with zoning and market demand within the area. The structure is modern and functional and offers competitive space within the existing level of similar rental accommodations. No economic justification for altering or changing the existing structures appeared to exist at this time, with the exception of continued maintenance as required to maintain the property position within the marketplace.
Highest and Best Use as Though Vacant	:	If the site was vacant and available for development, it is anticipated that a commercial and residential type of development would take place on the site.
Personal Property	:	No personal property is included in this valuation estimate.

ASSET ANALYSIS

LOCATION	
POSITIVE FACTORS	NEGATIVE FACTORS
<ul style="list-style-type: none"> • situated in a very good location 	<ul style="list-style-type: none"> • none noted
<ul style="list-style-type: none"> • good visual exposure and traffic volume along an arterial road (26,000-27,000 vehicles per day) 	
<ul style="list-style-type: none"> • commercial amenities in the immediate area, including Masonville Mall 	
<ul style="list-style-type: none"> • affluent area of the city, with new residential development to the north ongoing 	
<ul style="list-style-type: none"> • corner site 	
IMPROVEMENTS	
POSITIVE FACTORS	NEGATIVE FACTORS
<ul style="list-style-type: none"> • building is of newer construction (2017) 	<ul style="list-style-type: none"> • none noted
<ul style="list-style-type: none"> • the building is in very good condition 	
<ul style="list-style-type: none"> • onsite and underground parking 	
<ul style="list-style-type: none"> • large residential units, with 12' - 16' ceiling height 	
<ul style="list-style-type: none"> • high end interior finish 	
INVESTMENT MARKET	
POSITIVE FACTORS	NEGATIVE FACTORS
<ul style="list-style-type: none"> • low interest rates provide attractive leverage to the investor 	<ul style="list-style-type: none"> • interest rates have begun to increase
<ul style="list-style-type: none"> • good quality projects, such as the Subject, are in demand by investors as well as owner occupiers 	
INCOME CHARACTERISTICS	
POSITIVE FACTORS	NEGATIVE FACTORS
<ul style="list-style-type: none"> • residential apartments are fully leased 	<ul style="list-style-type: none"> • none noted
<ul style="list-style-type: none"> • residential leases are plus utilities 	
<ul style="list-style-type: none"> • stable medical tenant in place on the first floor 	

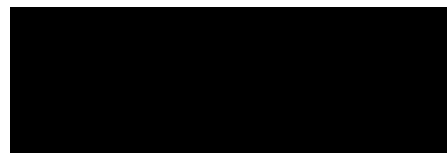
ESTIMATED CURRENT MARKET VALUE

Two approaches to value were utilized in the valuation of the Subject Property. These approaches suggested market supportable values in the following ranges. The ranges of values were then correlated to a most probable single value based on market conditions at date of valuation.

Direct Comparison Approach

Income Approach

Final Estimated Market Value



ANALYSIS SUMMARY	
Final Estimated Market Value	[REDACTED]
Building Area (square feet)	24,209
Market Value Per Square Foot	[REDACTED]
Potential Gross Annual Income (GAI)	[REDACTED]
Gross Income Multiple (GIM)	[REDACTED]
Net Operating Income (NOI)	[REDACTED]
Net Operating Income Per Square Foot	[REDACTED]
Overall Capitalization Rate (Ro)	[REDACTED]

The estimate of value contained in this report is founded on a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value; especially if there is no reason to doubt its accuracy. Certain empirical data required interpretive analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the Assumptions and Limiting Conditions contained in the Addenda of the attached report, in addition to any which may be contained in the body of the report.

This report has been prepared for the information and guidance of **MNP LLP**. It is not to be referred to or quoted in any prospectus for the sale or exchange of securities, and may not be reproduced, in whole or in part, without prior agreement.

PURPOSE AND INTENDED USE OF APPRAISAL

The purpose and intended use of this appraisal and the estimated Current Market Value, are to assist **MNP LLP**, exclusively. The client acknowledges that the attached report is confidential and agrees not to disclose the information contained herein to a third party, other than for own uses. It is not reasonable for anyone other than the client shown to rely upon this report without first obtaining written authorization from the appraiser and liability is denied to anyone who utilizes this report without authorization.

Purpose : The purpose of this report was to estimate the Current Market Value of the within described Subject Property, as of January 11, 2023.

Intended Use : The sole intended use of this appraisal is to estimate the Current Market Value of the Subject Property to assist with possible sale purposes. The appraisal was not based on a requested specific valuation.

PROPERTY RIGHTS APPRAISED

The property rights being appraised are those of the "Leased Fee Interest", which is defined as:

“An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the right of lessor or the leased fee owner and leased fee are specified by contract terms contained within the lease(s).”

Further, the estimated Market Value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other typical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may rise there from, have been described and measured in this report.

DEFINITION OF PERSONAL PROPERTY

The Appraisal of Real Estate, Third Canadian Edition distinguishes between Real Estate, Personal Property and Trade Fixtures. The distinction between fixtures and personal property is not always obvious and attempts must be made to read leases to determine how these items are treated. It is sometimes impossible to exclude personal property from an opinion of value. Personal Property is defined as:

“Identifiable portable and tangible objects which are considered by the general public as being personal, e.g. furnishings, artwork, antiques, gems and jewellery, collectibles, machinery and equipment; all property, tangible and intangible, that is not classified as real estate” (CUSPAP)

Personal property is not endowed with the rights of real property ownership. Personal property is not endowed with the rights of real property ownership. Personal property is generally considered in the valuation of hotels, apartment buildings, golf courses, restaurants etc. The value is included in the overall value and has not been segregated.

In this instance Personal Property has no effect on the cash flow and is not considered for valuation purposes.

DEFINITION OF MARKET VALUE

Market Value is defined as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.” (Appraisal of Real Estate, Third Canadian Edition)

Implicit in this definition is the consummation of a sale as of a specific date and the passing of title from seller to buyer under conditions whereby:

- “Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and,
- The price represents the normal consideration for the Property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.”

Market Value is further defined by the International Valuation Standards Committee as:

“The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.” (Appraisal of Real Estate, Third Canadian Edition)

CURRENT VALUE OPINION

Refers to an effective date contemporaneous with the date of the report, at the time of inspection, or at some other date within a reasonable short period from the date of inspection, when market conditions have not or are not expected to have changed.

A Current Value Opinion has been used in this report.

DEFINITION OF REASONABLE MARKETING TIME

The reasonable marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated Market Value level during the period immediately after the effective date of an appraisal.

The reasonable marketing time is a function of price, time, use and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone.

The estimate of value assumes a marketing time of three (3) to nine (9) months which allows for required presentation to the market, a due diligence period and legal requirements. Given the nature of the Subject Property, this time frame is considered reasonable under current market conditions. This marketing period is also predicated on the prerequisites to 'Market Value' as more fully developed elsewhere in this report. It is also noted that market conditions can change quite significantly over a relatively short period of time and property values can be impacted accordingly. No such adjustments (favourable or otherwise) are indicated at this time; however, it is beyond the scope of this appraisal to undertake an in-depth, long range analysis of related property value trends.

DEFINITION OF REASONABLE EXPOSURE TIME

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at Market Value on the effective date of the appraisal; a retrospective estimate based upon analysis of past events assuming a competitive and open market.

The fact that exposure time is always presumed to occur prior to the effective date of the appraisal is substantiated by related facts in the appraisal process; supply/demand conditions as of the effective date of the appraisal; the use of current cost information; the analysis of historical sales information (sold after exposure and after completion of negotiations between seller and buyer); and the analysis of future income expectancy estimated from the effective date of the appraisal.

The primary difference between Reasonable Marketing Time and Reasonable Exposure Time is that Reasonable Marketing Time refers to the period of time after the Effective Date, while the Reasonable Exposure Time refers to the period of time prior to the Effective Date.

Assuming that the Subject Property would have been listed on the MLS system by a recognized commercial brokerage firm at an asking price that would be about 5% to 10% higher than the Market Value estimate in this report, an 'Exposure Time' of three (3) to nine (9) months prior to the effective date would be reasonable.

DEFINITION OF THE PRINCIPLE OF CONTRIBUTION

The Principle of Contribution is defined in The Appraisal of Real Estate, Third Canadian Edition as:

“The concept that the value of a particular component is measured in terms of its contribution to the value of the whole property or as the amount that its absence would detract from the value of the whole.”

DEFINITION OF CONTRIBUTORY VALUE

The Contributory Value of a particular building improvement, is essentially the reproduction or replacement cost of that improvement minus all forms of depreciation. Again, referencing The Appraisal of Real Estate, Third Canadian Edition:

“The depreciated cost of the improvement can be considered an indication of the improvement’s contribution to the property’s Market Value.”

ASSEMBLAGE

Assemblage is defined in The Appraisal of Real Estate, Third Canadian Edition as follows:

“The combining of two or more parcels, usually but not necessarily contiguous into one ownership or use; the process that creates plottage value.”

Plottage is the increment of value created when two or more sites are combined to create greater utility. For the purchase of a property by an adjacent owner to qualify as an assemblage, the objective of the purchase must be ‘to create greater utility’. This normally involves increasing returns through increasing size.

In the case of the Subject Property, no assemblage or plottage value would be created by an assemblage of adjacent properties.

ANTICIPATED PUBLIC OR PRIVATE IMPROVEMENTS

There are several high rise apartment buildings in the planning stages on the Masonville Place lands to the east of Subject Property. If this planning application gets approved, it will be a strong positive for the Subject Property and the immediate area.

TYPES OF APPRAISAL REPORTS

Narrative:	Comprehensive and detailed.
Short Narrative:	Concise and briefly descriptive.
Form:	A standardized format combining check-off boxes and narrative comments.

The valuation reported herein has been completed within a Narrative Appraisal Report.

EXTRAORDINARY LIMITING CONDITIONS

An extraordinary limiting condition refers to a necessary modification or exclusion of a Standard Rule. The burden is on the appraiser in the report to explain and justify such necessity, and to conclude before accepting an assignment and invoking an extraordinary limiting condition, that the scope of the work applied will result in opinions/conclusions that are credible. Examples include; exclusion of a relevant valuation approach; no interior inspection of the subject improvements; no title search and no liability insurance coverage.

In accordance with the Canadian Uniform Standards of Professional Appraisal Practice, certain conditions are unacceptable in any assignment where they:

- i) compromise an appraiser's impartiality, objectivity, or independence;
- ii) limit the scope of work to such a degree that the results are not credible given the purpose of the assignment and the intended use of the results;
- iii) limit the contents of a report that results in the report being misleading.

The following Extraordinary Limiting Condition(s) apply to this report.

- i) the Cost Approach to Value has not been utilized in this instance. The age and condition of the building was such that the ability to determine the proper depreciation (physical, functional and external) was highly judgmental, thereby restricting the reliability of this Approach. In many instances the asset cost does not indicate the overall value;
- ii) interior inspection of all comparable sales was not possible; the building condition, design and layout have been confirmed through a variety of alternative sources where applicable;
- iii) no Registry Office title search was completed;
- iv) that the Subject site is not contaminated by any hazardous substance, thus there is no negative or adverse effect to the value estimate.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the Subject Property, or about conditions external to the Subject Property such as market conditions or trends, or the integrity of data used in an analysis. Extraordinary Assumptions (Hypothetical Conditions) presume as fact simulated but untrue information about physical, legal or economic characteristics of the Subject Property or external conditions. Examples would include: that non-existent improvements were already in place and ready to use, as proposed; a change in land use planning; or full occupancy in a development not yet constructed.

The following Extraordinary Assumption(s) and Hypothetical Condition(s) have been identified in the valuation report for the Subject Property:

- i) this report assumes that the main floor commercial lease is in place and at arms length;
- ii) this report assumes that the section of the main floor that was formerly occupied by a pharmacy could be leased to another tenant / pharmacy in the future.

SCOPE OF THE ASSIGNMENT

In the process of preparing this appraisal, I

- viewed and photographed the immediate neighbourhood area surrounding the Subject Property;
- personally inspected the Subject improvements on the exterior and interior, on January 11, 2023. This inspection, however, did not involve a technical investigation such as the structure, roof or mechanical systems which are assumed to be in an operating state of repair, in keeping with the observed appearance of the development; investigated the information and data contained in this report and have the background experience and knowledge to complete this assignment competently. The user of this report should exercise reasonable and proper due diligence and retain such other experts as necessary to make an informed decision with regard to the physical and mechanical/electrical condition of the improvements. The inspection was considered sufficient to describe the real estate, develop an opinion of the Highest and Best Use, and make meaningful comparisons with other market data;
- reviewed the Official Plan and Zoning designations for the Subject Property. A formal review was not conducted and would be required for certainty and property compliance;
- obtained assessment information on the Subject Property through the City of London, the local real estate board, Geowarehouse or MPAC;
- considered the Highest and Best Use of the property as it currently exists;
- reviewed appraisal methodologies and procedures employed in arriving at indications of value, which are more fully described in the body of this report, 'Approaches to Value' section;
- conducted market research with regard to comparable sales of similar type properties. Sources of market evidence included, as appropriate, the local real estate board, Land Title Office transactions - including those reported by 'MPAC', 'Geowarehouse' and 'Realtrack Inc.', real estate agents, vendors and purchasers active in the market;
- exterior inspections and discussions were held with vendors, purchaser or real estate agents of each of the comparable sale transactions utilized where feasible;
- considered physical and economic factors, as well as market conditions and analysed their potential effect on the property;

The analysis set out in this report relied on written and verbal information obtained from a variety of sources considered reliable. Unless otherwise stated herein, I did not verify client supplied information, which I assumed to be correct.

After analysing the data, I estimated the Subject Property's Current Market Value using the Direct Comparison Approach and the Income Approach. The collected data was then reconciled into a single most probable Current Market Value as of the effective date of the appraisal.

AREA AND NEIGHBOURHOOD DESCRIPTION

The Subject Property is located in the north sector of the City of London, on the southwest corner of Richmond Street and Hillview Boulevard.

LOCATION AND FREEWAYS

London is centrally located within the Southwestern Ontario region. The city is strategically situated on the MacDonald-Cartier Freeway (Highway 401) providing direct routes east to Toronto and Montreal, and west to Windsor and Detroit. London is also connected by Highway 402 allowing access to the Sarnia/Port Huron border crossing. London connects to Hamilton via Highway 403 and 401 providing access to the Niagara Falls/Buffalo border crossing. Canada and the US exchange 1.7 billion USD in goods and services daily due to their membership in the most significant free trade agreement (USMCA- United States Mexico Canada Agreement). As a result of London's proximity to major freeways and border crossings the city has a high profile along major trade routes.

General access to the city is provided via several major north south transportation routes, including Veterans Memorial Parkway and Highbury Avenue to the east, centrally located Wellington Road the main access route to the Central Business District, and Wonderland and Colonel Talbot Roads to the west. Fanshawe Park Road, Oxford Street, and Dundas Street are major east west transportation routes through the north and central section of the city, while Commissioners, Southdale and Exeter Roads provide east-west access through the southern portion of the community.

TRANSPORTATION

London International Airport (LIA) is the second fastest growing airport in Canada located in the northeast corner of London. LIA services 5 different airlines (Air Canada, Air Transat, West Jet, Sunwing, and Canadian North), and charter flights to various cities in and out of province. Those cities being Toronto, Ottawa, Montreal, Windsor, Edmonton, Calgary, and Vancouver. Internationally the airport reaches the US (Florida, California, New York, etc.), and Mexico.

Commercial goods are transported by 'Canadian National', and 'Canadian Pacific' railways through the city, whereas passenger trains arrive and depart through London VIA rail train station located downtown. The VIA station services connections to Toronto, Windsor, and Sarnia. RobertQ Airbus provides ground transportation to and from Toronto's Pearson International Airport, and to and from Detroit Metropolitan Airport. FlixBus is German electric bus company servicing cheap trips from London to Toronto, departing from Western University in north London.

POPULATION AND GROWTH

In January 1993, the City of London annexed land from adjacent townships to nearly triple in size. The city gained 64,220 acres of land of which approximately 90% was farmland. Primary to the annexation was the almost total absorption of the Town of Westminster, to the south extending to the north boundary of Elgin County and the City of St Thomas. To preclude urban development around the city's new boundaries no development will be allowed without full urban services except for farm related projects. Any development in the designated buffer zone must have the approval not only of the host municipality but also of the adjacent urban municipality. With well planned development policies and the expansion of municipal services, the annexation will permit well defined growth and success of the city.

The census population of the City of London, for 2021, was 422,324. This census figure reflected an increase of 10.0% over the 2016 count, as illustrated below.

2011 Census	2016 Census	2021 Census	% Change London	% Change Ontario	% Change Canada
366,151	383,822	422,324	10.0%	5.8%	5.2%

As noted, the major population increase occurred in 1993, with the annexation of the lands from the surrounding townships. London is the 10TH largest City in the Country and future growth is expected on a stable and constant basis. The city has established its importance as a service centre in Southwestern Ontario, particularly to the seven surrounding counties. According to the City and Macrotrends, it is estimated that in excess of 511,000 people are located in the London Census Metropolitan Area (CMA), 2021.

EDUCATION

London is home to Western University, the fifth largest university in Canada. The main campus is located in northwest London and encompasses approximately 376 acres of land along the banks of the Thames River. Western is home to approximately 3,700 full-time faculty and staff members and approximately 32,000 undergraduate and graduate students. Through its 12 faculties, and three affiliated Colleges, being Huron, Brescia and King's, the University offers more than 400 different majors, minors and specializations. Research is an integral part of the University's mission and external support for research projects to exceed \$200 million per year. Western, which houses nearly 5,800 students in 11 residences on campus, guarantees a room in residence for all first-year students. The university also provides accommodation for single upper-year students in close to 550 units in university owned and operated apartment buildings. There are also 400 apartments and townhouses available on campus for married or partnered students and students with families.



Western announced in early May 2006 that they would be investing \$230 million during the next seven years on 15 major projects aimed at easing a campus space crunch. Most recently completed is the Western Student Recreation Centre, a 20,000 square foot multi-use facility that includes an indoor pool, gymnasium, lounges, café, squash courts, etc.

In addition to the university developed accommodations, several private projects have been developed along Richmond Street, Sarnia Road and Western Road, in response to the demand by students for off campus housing. This market has been very successful, with most modern projects continuing to experience 100 percent occupancy levels

Fanshawe College was established in 1967 and is one of Ontario's largest Colleges, with four campuses, Simcoe, St. Thomas, Woodstock and their primary campus in London. Fanshawe College provides more than 220 degree, diploma, certificate and apprenticeship programs, and has seen its enrollment grow over the years, to more than 43,000 students per year (full and part time). The College has invested significant capital in recent years expanding and improving their facilities. The Centre for Applied Transportation Technologies, a \$31.8 million investment and was completed in 2012. The centre contains approximately 148,000 square feet and is one of the most advanced transportation training centres in the country, accommodating 1,500 students annually. It features state of the art equipment and learning tools and supports a number of 'green initiatives'. The increasing enrollment has also enabled Fanshawe to construct two student residence buildings in the past five years, at a cost of \$42 million, as well as the February 2011 purchase of a 68-unit student housing complex, to better serve their student population.



Fanshawe College has plans for creating a downtown London campus, in the form of a School for Applied and Performance Arts. The City of London is encouraging Fanshawe's presence in the downtown core and is offering a grant program, upwards of \$10 million from the Economic Development Fund. The purchase of the Fanshawe's first downtown building at 137 Dundas Street was announced in September 2011 and opened its doors to students in January 2014. Fanshawe has also purchased the former Kingsmills building along Dundas Street, which has been extensively renovated / constructed (upwards of \$66 million) and opened in 2018. The Canadian Centre for Product Validation was opened in June 2016, being a 25,000 square foot, multi modal developmental test facility, being unique to Canada. Fanshawe purchased the former Jazz Aviation facility at the London International Airport in August 2013 which houses their aviation program. Other major projects include the Student Wellness Centre, as well as new research and science labs in their Centre for Applied Research in Bio-Technology.

Fanshawe College has a strong partnership with the City of London and its diverse employers, being a positive and integral part of the community.

INDUSTRY AND EMPLOYERS

Generally speaking, the strength of London's economy is attributed to its diversity. Various banks, trust and insurance companies including branches, head and regional offices have located in London, as well as over 450 manufacturing and allied firms. Among the larger firms with regional offices in London are 'Great West Life/London Life', 'TD Canada Trust', 'Club House Foods', 'Bell Canada', 'Emco', '3M Canada', 'Labatt Breweries', and 'Lever Industrial'. Certainly, the amalgamation or merger of financial institutions and insurance companies has had an adverse impact on the city, with the closure of several head offices and the downsizing of middle and upper management employees. The impact of several of these corporate moves has been reflected in increased office vacancy levels. New companies recently located to London include 'Brose', 'Starlim-Sterner', 'Transform Automotive', 'Dr. Oetker', 'Arvin Sango Inc.', 'Samsung' and 'Original Cakerie'.

One industry that has moved to the forefront of London's economic service sector, is medical services, led by three teaching and research hospitals 'Victoria', 'University' and 'St. Joseph's'. 'Victoria' and 'University' hospitals recently merged to become the 'London Health Sciences Centre'. The continued growth of medical services in London has resulted in the city gaining a reputation as an international medical centre. The generation of baby boomers continues to have an impact on most segments of the market and will certainly be seen in the medical area as the population ages.

EMPLOYER	INDUSTRY	FULL-TIME EMPLOYEES
London Health Sciences Centre	Health Care	17,174
Thames Valley District School Board (Public)	Education	8,511
St. Joseph's Health Care London	Health Care	4,569
Western University	Education	3,732
TD Canada Trust	Financial	3,200
City of London	Government	3,000
London Life Insurance Co.	Insurance	3,000
Fanshawe College	Education	2,900
CAMI Automotive Inc.	Automotive	2,710
General Dynamics Land Systems Canada	Manufacturing	2,400
London District Catholic School Board	Education	2,252
3M Canada	Manufacturing	1,867
Schulich School of Medicine and Dentistry	Education	1,500
Formet Industries (Cosma Group within Magna International)	Manufacturing	1,500
Lawson Health Research Institute	Healthcare	1,200
Voyageur Transportation Services	Transportation	1,100

Source: Valco Research, 2022

ECONOMIC HEALTH

The economic health of a community can be observed through the issue of building permits and the dollar values of construction over a period of time. The chart below shows the historical construction activity between 2012 and 2021 for London, with the permit values in (\$) millions.

YEAR / TYPE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
RESIDENTIAL										
SINGLE FAMILY DWELLINGS	768 (\$234.5)	715 (\$231.9)	691 (\$259.9)	628 (\$229.7)	881 (\$344.4)	1,038 (\$426.4)	656 (\$277.2)	688 (\$296.8)	963 (\$414.2)	1,045 (\$473.9)
SEMI DETACHED DWELLINGS	1 (\$0.1)	2 (\$0.5)	2 (\$0.6)	2 (\$1.0)	2 (\$0.2)	0 (\$0.0)	0 (\$0.0)	0 (\$0.0)	1 (\$1.02)	2 (\$0.4)
TOWNHOUSES	142 (\$60.8)	165 (\$88.8)	195 (\$125.9)	139 (\$84.5)	180 (\$123.8)	254 (\$185.7)	207 (\$160.6)	173 (\$157.8)	145 (\$136.9)	237 (\$215.8)
DUPLEX, TRIPLEX, APARTMENT	20 (\$109.0)	15 (\$154.1)	14 (\$165.3)	6 (\$54.1)	21 (\$335.7)	9 (\$143.7)	13 (\$263.4)	20 (\$242.7)	20 (\$626.1)	17 (\$458.2)
ALTERATIONS & ADDITIONS	1,528 (\$72.5)	1,575 (\$44.0)	1,573 (\$49.5)	1,720 (\$63.3)	1,775 (\$67.9)	1,991 (\$66.5)	1,826 (\$61.9)	1,798 (\$58.2)	1,509 (\$60.9)	1,889 (\$83.6)
TOTAL RESIDENTIAL	2,459 (\$485.9)	2,472 (\$519.4)	2,475 (\$601.1)	2,495 (\$432.9)	2,859 (\$872.0)	3,292 (\$822.3)	2,702 (\$763.2)	2,679 (\$755.5)	2,339 (\$1,239)	3,190 (\$1,232.0)
COMMERCIAL	515 (\$126.0)	468 (\$83.7)	411 (\$95.6)	439 (\$130.0)	533 (\$186.0)	435 (\$154.2)	502 (\$141.6)	546 (\$115.3)	390 (\$106.1)	401 (\$117.0)
INDUSTRIAL	83 (\$33.2)	91 (\$43.4)	76 (\$24.0)	68 (\$22.0)	80 (\$53.6)	95 (\$33.2)	81 (\$43.6)	112 (\$385.7)	64 (\$63.0)	64 (\$97.8)
INSTITUTIONAL	172 (\$129.2)	189 (\$81.3)	198 (\$92.8)	169 (\$123.6)	203 (\$289.7)	173 (\$108.4)	236 (\$53.9)	191 (\$97.1)	178 (\$203.6)	144 (\$175.2)
OTHER	1,012 (\$4.4)	1,091 (\$4.2)	1,016 (\$4.9)	876 (\$2.8)	1,037 (\$8.0)	1,019 (\$5.6)	1,049 (\$5.8)	1,003 (\$20.7)	820 (\$9.6)	961 (\$12.2)
TOTAL PERMITS	4,241	4,311	4,176	4,047	4,712	5,014	4,570	4,531	4,091	4,760
% CHANGE	+7.8%	+1.7%	-3.1%	-3.2%	+16.4%	+6.4%	-8.8%	-0.9%	-9.7%	+16.4%
TOTAL\$										
AMOUNT	\$778.7	\$732.0	\$818.5	\$711.6	\$1,410.1	\$1,123.8	\$1,008.1	\$1,374.4	\$1,621.5	\$1,634.1
% CHANGE	-22.8%	-6.0%	+11.8%	-15.0%	+98.2%	-20.3%	-10.3%	-36.3%	+18.0%	+0.1%
SOURCE: CITY OF LONDON										

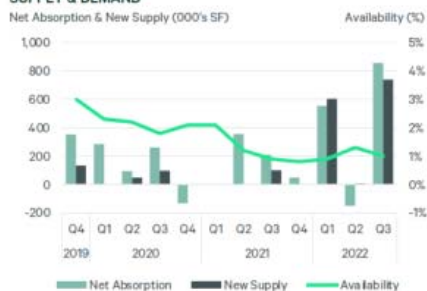


QUARTER 3: LONDON – INDUSTRIAL

After a brief two-quarter increase, the London industrial market has resumed its recent trend of declining availability. With an increasingly limited amount of available product, pricing and construction levels have seen a noticeable uptick. As of note, the 638,000 sq. ft. Maple Leaf Foods poultry plant completed this quarter.

MARKET STATS	TOTAL	Q/Q
Net Rentable Area	41,186,378	▲
Overall Availability Rate	1.0%	▼
Quarter Net Absorption	854,012	▲
Year-to-Date Net Absorption	1,257,446	
Quarter New Supply	738,172	▲
Year-to-Date New Supply	1,346,245	
Under Construction	381,541	▼
Avg. Net Rent (PSF)	\$8.81	▲
Avg. TMI (PSF)	\$3.92	▲
Avg. Sale Price (PSF)	\$211.76	▲

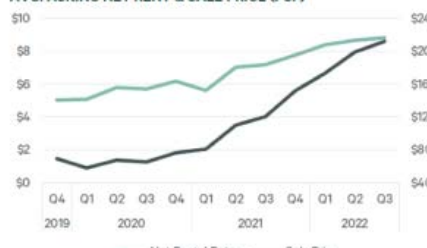
SUPPLY & DEMAND



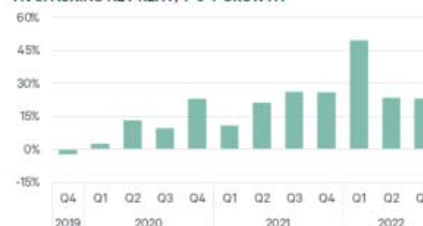
UNDER CONSTRUCTION



AVG. ASKING NET RENT & SALE PRICE (PSF)



AVG. ASKING NET RENT, Y-o-Y GROWTH



QUARTER 3: LONDON - OFFICE

City-wide office vacancy improved over the quarter, down 50 bps to 21.2%. In an effort to attract prospective tenants, landlords have had recent success securing tenants at lower rates. Landlords and tenants however are still at odds over lease terms, with many tenants still wary of their space needs aiming for shorter lease terms.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,766,661	1,905,405	6,372,126	◀▶
Overall Vacancy Rate	25.3%	9.3%	21.2%	▼
Direct Space	1,063,889	139,829	1,203,718	▼
Sublet Space	140,997	9,247	150,244	◀▶
Sublet % of Vacant	11.7%	6.2%	11.1%	▲
Class A Vacancy Rate	13.4%	N/A	13.4%	▼
Avg. Class A Net Rent (PSF)	\$14.45	N/A	\$14.45	▼
Quarter Net Absorption	31,522	-4,543	26,979	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶

METRO SUPPLY & DEMAND



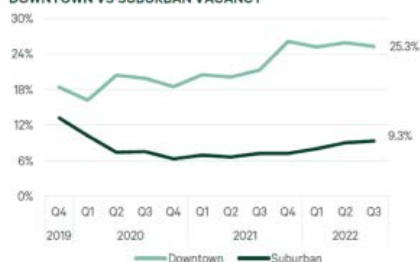
UNDER CONSTRUCTION

Downtown
0 MSF
0% of Inventory

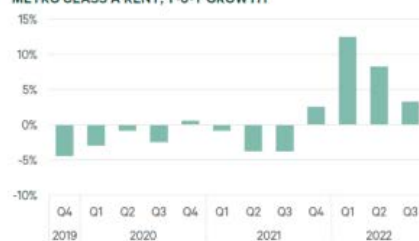
Suburban
0 MSF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



SOURCE: 2022 CBRE LIMITED

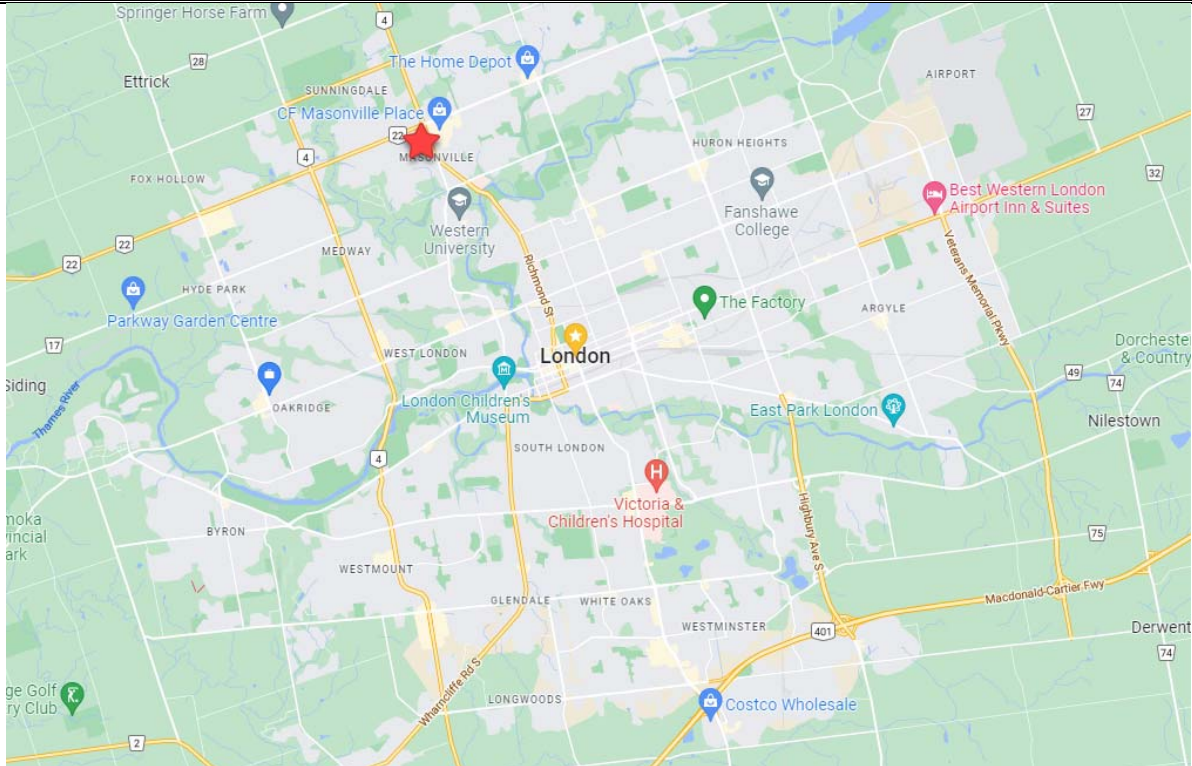
More specifically, the Subject Property is located on the southwest corner of Richmond Street and Hillview Boulevard. The immediate area is mixed in use, being a major commercial node of north London, with a strong residential base nearby.

Masonville Mall is located to the east of the Subject Property, being a major shopping centre, which houses tenants such as; Apple; American Eagle; Disney; GAP; The Bay; Lululemon; Roots; and Silver City theatres. There are two large scale retail plazas to the north, along Fanshawe Park Road, anchored by Best Buy; Staples, Indigo, Loblaws, Jack Astors, Sport Chek, etc. There is a new development, adjacent to the Subject Property to the south which was recently completed, being mid rise apartment buildings.

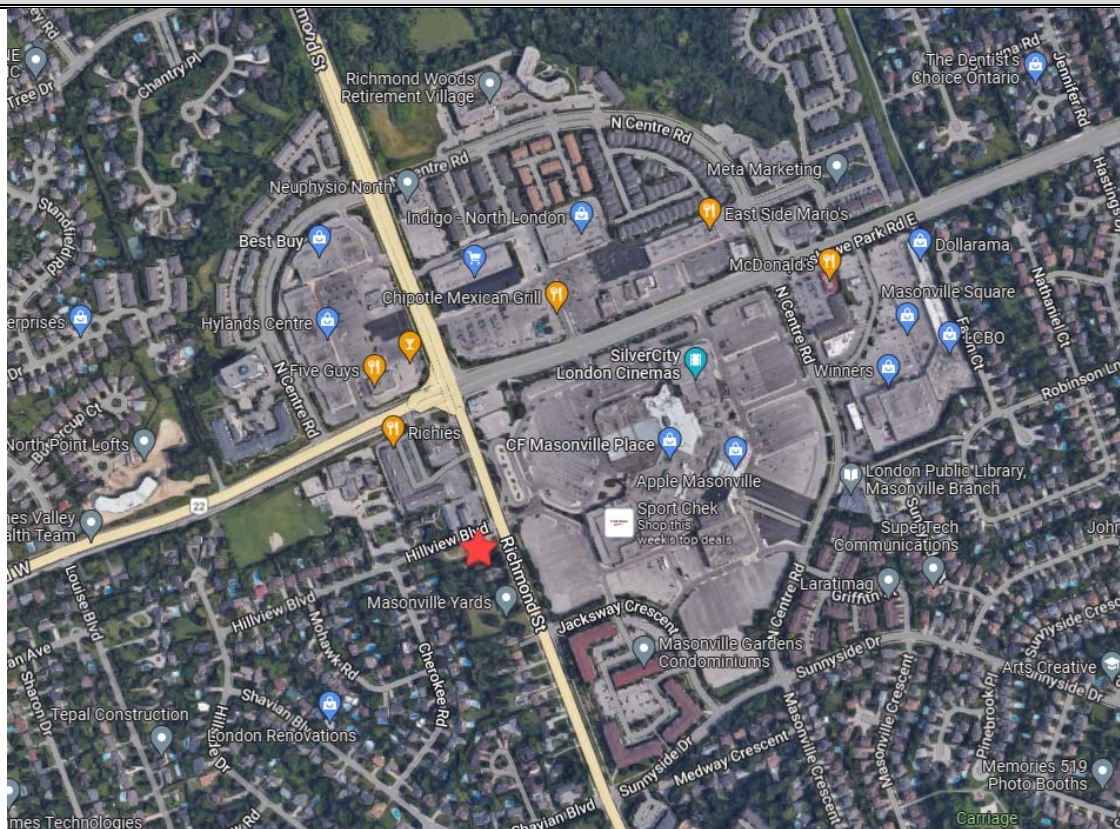
There is a large residential base nearby as well, in all directions. University Hospital and Western University is located further to the south. Areas to the north continue to be developed with higher end residential properties, which is a strong positive for the general area.

In summary, the Subject Property is located in the north sector of London, along an arterial road, in a commercial area. The immediate area is mixed in use, being almost 100% developed with limited infill sites. The area is stable and will continue to be a mixed-use area, with the commercial properties serving the large residential base. The area is close to the downtown core, which has seen a revitalization in recent years, and is projected to continue.

LOCATION MAPS



AREA MAP



NEIGHBOURHOOD MAP

MUNICIPAL SERVICES, ROADS AND UTILITIES

The Subject Property reportedly has full municipal services and utilities available to the site are indicated to include storm and sanitary sewers, hydro, municipal water, natural gas and telephone, along with police and fire protection. It has been assumed that the services available to the Subject Property are in adequate quality and quantity to service the Highest and Best Use of the site.

Richmond Street, in the vicinity of the Subject Property, is a four lane, plus turning lane, asphalt paved road with concrete curbs, sidewalks and overhead street lighting. Hillview Boulevard, in the vicinity of the Subject Property, is a two lane, asphalt paved road with concrete curbs, sidewalks and overhead street lighting.

SUBJECT PROPERTY STREET VIEWS



VIEW ALONG RICHMOND STREET



VIEW ALONG RICHMOND STREET



NEARBY PROPERTY (MASONVILLE PLACE)



NEARBY PROPERTY (MASONVILLE PLACE)



NEARBY PROPERTY



NEARBY PROPERTY



NEARBY PROPERTY



NEARBY PROPERTIES

SITE DESCRIPTION

The Subject site is basically rectangular in shape, being situated on the southwest corner of Richmond Street and Hillview Boulevard. The site is relatively level, at grade with the adjoining roads and is accessed from Hillview Boulevard. The site has 75.0' of frontage along Richmond Street and secondary frontage of 302.49' along Hillview Boulevard. The total site contains approximately 0.52 acres (22,687 square feet). The site has 16 parking spaces and a rain garden at the rear of the site, as well as access to the underground parking garage.

The soil conditions observed at the Property appear to be typical of the neighbourhood and adequate for the existing use(s) and/or possible future development. There are no known adverse environmental conditions on the Subject Site. Please reference Limiting Conditions and Assumptions.

The Subject site is well suited to support the current use and is considered to be in conformity with the overall market. Subject Property information was obtained from MPAC, Geowarehouse, the City of London.

AERIAL IMAGE



SOURCE: GEOWAREHOUSE

PROPERTY OWNERSHIP HISTORY

The Subject Property was last purchased by Richmond Medical Centre Inc., with a consideration value recorded as \$595,000, and was registered on January 4, 2013. The Subject Property is not listed for sale, nor subject to a purchase and sale agreement. No registry office search was completed.

Sales History

Sale Date ▼	Sale Amount	Type	Party To
Jan 04, 2013	\$595,000	Transfer	RICHMOND MEDICAL CENTRE INC.;

MUNICIPAL ADDRESS

1653 Richmond Street, London, Ontario

LEGAL DESCRIPTION

The Subject Property municipally addressed as 1653 Richmond Street is legally described as Part Lot 28, RCP 1029, Designated As Part 1, 33R19375 Together With An Easement Over Parts 2, 3, 4, 5 And 7 33R19479 As In ER1063273 Subject To An Easement Over Part 1, 33R19479 In Favour Of Part Lot 23-27, RCP 1029, Parts 1,3,5,7, & 9, 33R19435 As In ER1063272 City of London, Middlesex County, Province of Ontario.

Property Identification Number (PIN) : 08066-0197

Assessment Roll Number : 39.36.010.680.08803.0000

ASSESSMENT AND TAXES

According to municipal records for the City of London, the Subject Property municipally addressed as 1653 Richmond Street is assessed and taxed as follows:

Roll Number	39.36.010.680.08803.0000		
Assessed Value (January 1, 2022)	\$2,307,000.00		
Taxes (2022)	Commercial: \$18,702.78 Residential: \$40,493.97 Total: \$59,196.75		
Building Area (Sq. Ft.)	24,209	\$2.45	Taxes per Sq. Ft.
		\$95.30	Assessed Value per Sq. Ft.

To establish the Assessed Value, MPAC analyzes property sales in the surrounding community. This method is called Current Value Assessment. The Current Value Assessment means, in relation to land, the amount of money the fees simple interest, if unencumbered, would realize if sold at arm's length by a willing seller to a willing buyer. This value excludes any long-term leases and mortgages in place as of the effective date of the valuation. In addition, the Current Value of eligible land is based on current use, not potential use using the Highest and Best Use Principle. This in effect eases the burden to owners of vacant land which has development potential.

DESCRIPTION OF IMPROVEMENTS

The site is improved with a four storey, medical office / residential building. The building is of newer construction (2017) and is in very good condition. The property contains a building area of 24,209 square feet, with approximately 6,108 square feet on the main floor and 6,034 square feet on each of the upper floors. The majority of the main floor is leased to a single tenant, operating as a medical clinic (5,108 sf). The main floor has a main entrance, main reception, waiting area, hallways, washrooms, staff room, as well as individual exam rooms / offices. There is a rear hallway that accesses a stairwell and elevator which is used by the apartment tenants. The second, third and fourth floors are made up of three residential units each and range from 1,600 square feet to 2,000 square feet – the units on the East side being 1,600 square feet, units on the West side 1,700 square feet and the units in the middle section being 2,000 square feet. The units are large in size, have very good layouts and a high level of finish, being in very good condition. Each unit contains two bedrooms (middle units have a den), two washrooms, open concept kitchen / living room, large windows, fireplace, 12' - 16' ceiling height and a 12' x 6' balcony. The building also features an underground parking garage, with 28 parking spaces and an asphalt-paved above-ground parking lot with 16 parking spaces. The Subject building is in very good condition, being of newer construction, with no significant items of deferred maintenance noted or reported at the time of inspection.

Further details of the Subject Property are as follows:

GENERAL CONSTRUCTION	
Year Built:	2017
Building Area:	1: 6,108 SF 2: 6,034 SF 3: 6,034 SF 4: 6,034 SF T: 24,209 SF
# of Storeys:	4
Exterior Walls:	Brick / Decorative Metal
Windows:	Ample windows on each floor, large
Power:	Ample power supply
Roof:	Flat Roof
Heating and Cooling:	Full HVAC per unit; condensing units
Parking:	Underground parking garage – 28 spaces Above-ground parking lot – 16 spaces
Other:	16-person Delta elevator; stairwells; separate hydro and gas meters; fully sprinklered building; heated ramp for underground garage; 12' - 16' ceiling height per floor; rain garden at the rear of the site; LED lighting; balcony for each residential unit.

INTERIOR FINISH

Main Floor

The main floor contains a front reception / waiting area, along with men's and women's washrooms, private offices, staff room, as well as individual exam rooms. There are two hallways that run the length of the building, with a secondary entrance at the rear, as well as a separate entrance for the residential units. The entire main floor has a high level of interior finish, being in very good condition. There is approximately 1,000 square feet of space that is dedicated for use as a pharmacy unit, being open to the waiting room and sharing the washrooms and common areas.

The separate entrance at the rear of the building for the apartment units leads into a hallway, with a stairwell and one elevator.

2nd / 3rd / 4th Floor

The upper three floors contain a total of nine (9) residential apartments, with three on each floor. The units contain two bedrooms, two washrooms, open concept kitchen / living room, in suite laundry, a balcony and very good ceiling height (12' on the 2nd floor, 14' on the 3rd floor and 16' on the 4th floor). The finish is very good, in very good condition. There are three model types, being 1,600 sf, 1,700 sf and 2,000 sf. The units benefit from numerous large windows, providing ample natural light. Each unit has its own laundry facilities, with the master bedroom having a walk in closet and en suite bathroom. The units also benefit from a fireplace and private balcony.

SITE IMPROVEMENTS

- asphalt-paved above-ground parking lot - 16 spaces
- underground parking garage – 28 spaces; concrete construction, sprinklered
- concrete walkways
- rain garden (planted depression that absorbs rainwater runoff, to feed the garden)
- access from Hillview Boulevard
- very good landscaping

COMMENTS

The exterior of the building is aesthetically appealing and would suit a wide range of professional office users. The interior of the building is in very good condition, with a very good layout and high-end finishes. The residential units are of a very good finish, layout, and high quality, with large suite sizes, being able to command a premium rent. The site provides good parking at the rear, along with the underground parking garage.



MAIN ENTRANCE



NORTHEAST ELEVATION



NORTHWEST ELEVATION



NORTHEAST ELEVATION



SOUTHEAST ELEVATION



SOUTHWEST ELEVATION



MAIN FLOOR ENTRANCE / WAITING ROOM



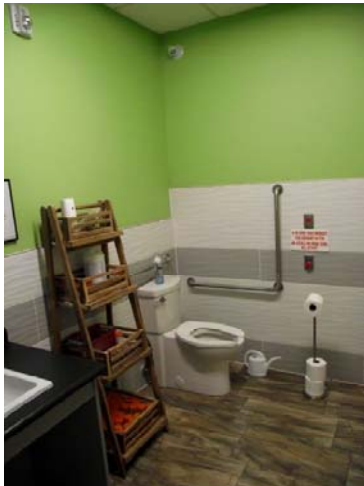
MAIN FLOOR WAITING ROOM / PHARMACY



MAIN FLOOR



MAIN FLOOR BATHROOM



MAIN FLOOR BATHROOM



MAIN FLOOR EXAM ROOM



MAIN FLOOR EXAM ROOM



MAIN FLOOR EXAM ROOM



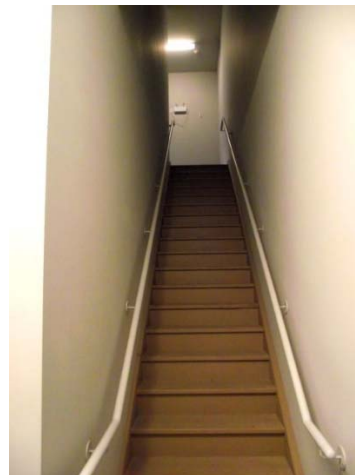
MAIN FLOOR HALLWAY



MAIN FLOOR HALLWAY



MAIN FLOOR HALLWAY



STAIRWELL



MAIN FLOOR HALLWAY / ELEVATOR LANDING FOR APARTMENTS



APARTMENT HALLWAY



APARTMENT KITCHEN



APARTMENT BATHROOM



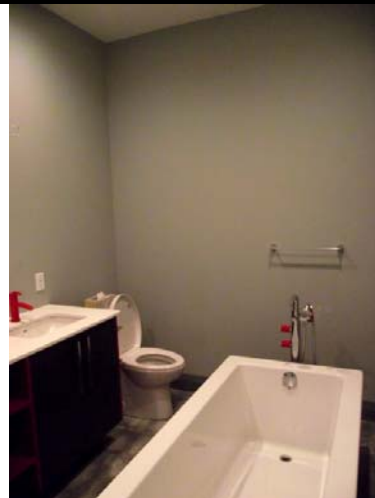
APARTMENT LIVING ROOM



APARTMENT BALCONY



APARTMENT BEDROOM



APARTMENT BATHROOM



APARTMENT BATHROOM



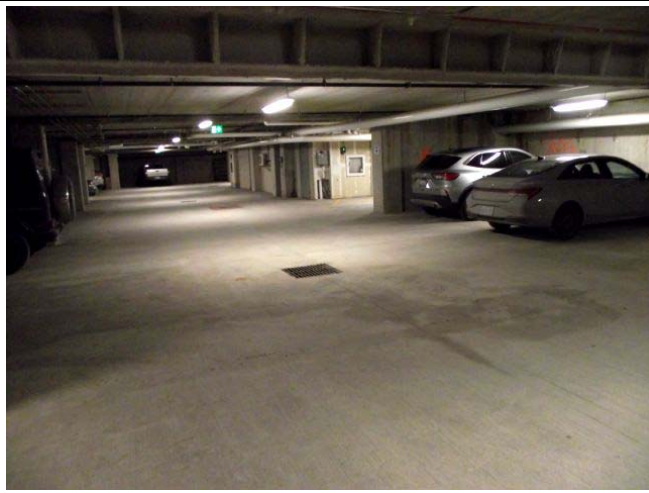
APARTMENT LIVING ROOM



APARTMENT HALLWAY



ELEVATOR



UNDERGROUND PARKING GARAGE



UNDERGROUND PARKING GARAGE



UNDERGROUND PARKING GARAGE



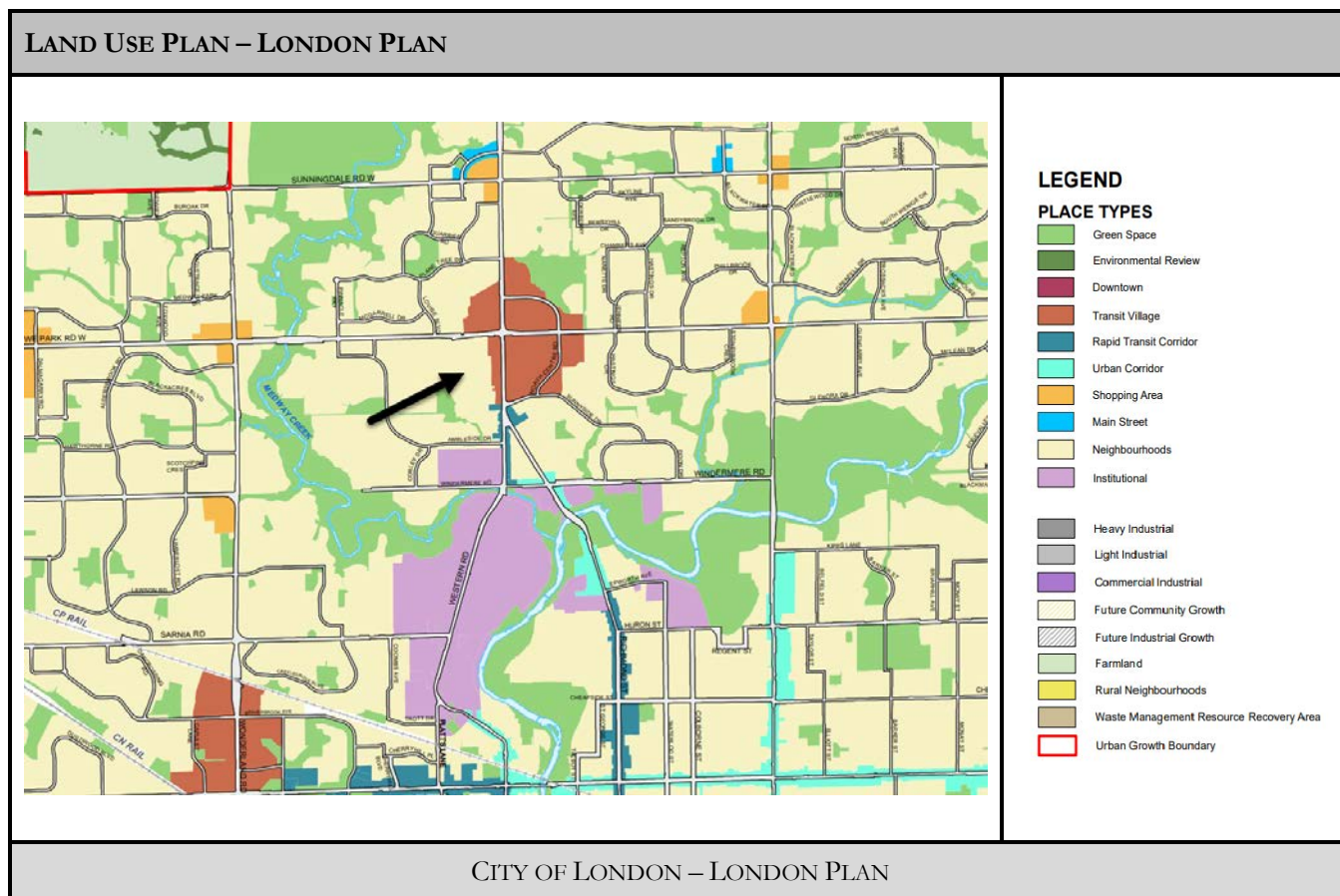
REAR PARKING LOT

LONDON PLAN

On December 28, 2016, the Province approved The London Plan with modifications. A Notice of Decision was issued by the Province on December 30, 2016. There are still numerous site-specific areas within the plan policies that are under appeal.

The London Plan is a 20-year plan that sets out the vision, principles, priorities, strategies, policies and directions to the year 2035. It should be recognized that the Plan is not intended to necessarily reflect the use, intensity or form of development that currently exists today, but rather is intended to plan for what is envisioned over the next 20 years. The need to update the Plan will be reviewed within the first ten years and every five years thereafter to ensure that it is in keeping with changes in the social, economic and environmental context of the city.

The London Plan designates the Subject Property as **NEIGHBOURHOODS**, as illustrated on the map below.



ZONING

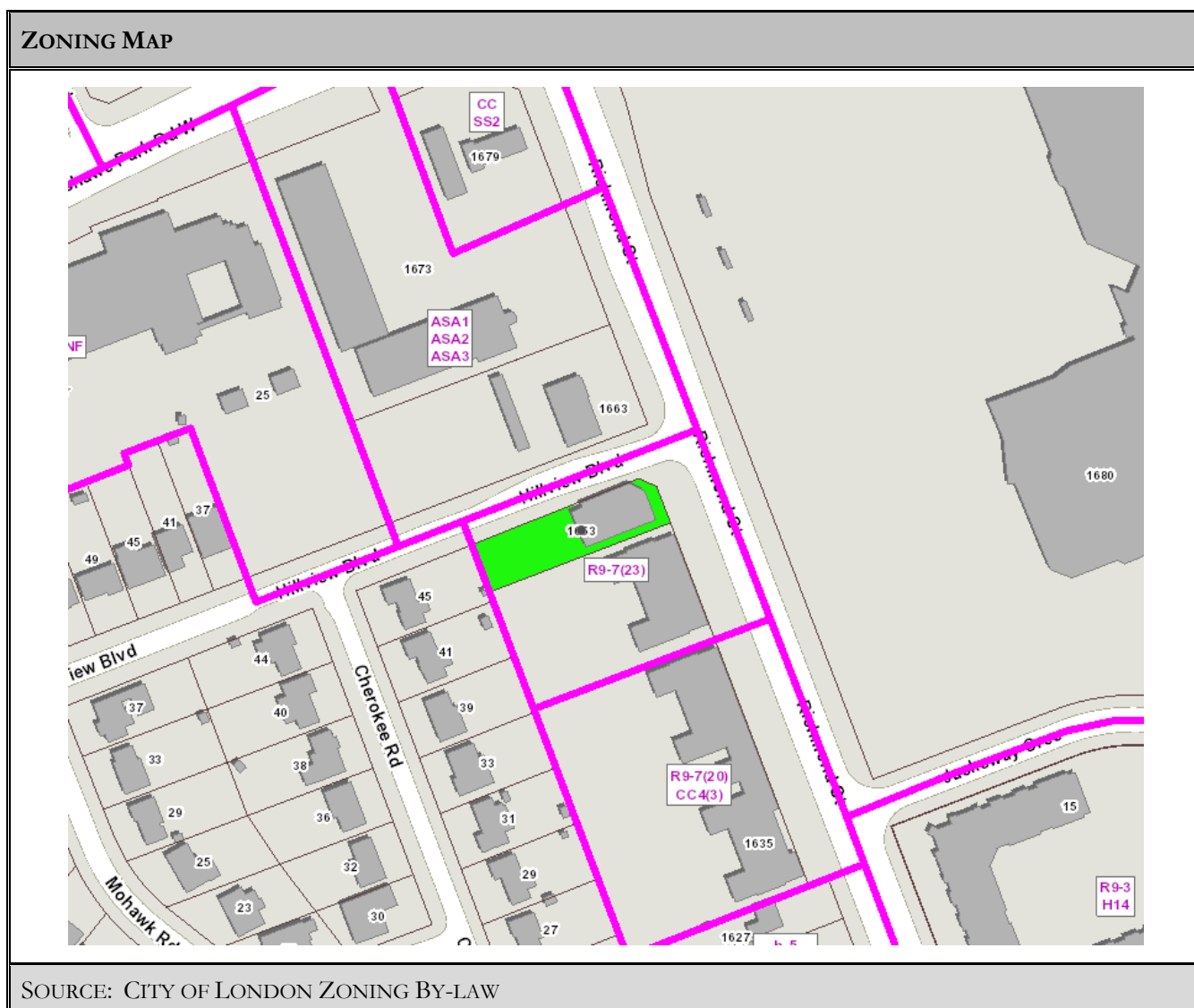
While the Official Plan sets out the general long range policy framework for the future land use, Zoning By-Laws take precedence and put those objectives of the Official Plan into effect and provide for their day-to-day administration.

Unlike the Official Plan, the Zoning By-Law contains very specific and legally enforceable regulations. Any new development or construction that fails to comply with a municipality's Zoning By-Law is not permitted and will be denied a building permit.

Zoning By-Laws define zones for various types of uses and establish the specific type of land use in each zone (i.e. residential, commercial, agricultural, institutional, industrial, etc.). The by-laws will also set standards for erecting buildings (i.e. minimum lot size, frontage, set-backs from streets, side yard clearances, building heights, parking requirements, etc.).

According to the Zoning By-Law for the City of London, the Subject Property is zoned **R9-7(23) – RESIDENTIAL R9 ZONE**. It is not within the scope of this report to determine if all regulations have been met.

A copy of the applicable Zoning map is below followed by the applicable Permitted Uses.



ZONING EXCERPTS

SECTION 13

RESIDENTIAL R9 ZONE

13.1 GENERAL PURPOSE OF THE R9 ZONE

The Zone provides for and regulates a wide range of medium and higher density residential developments in the form of apartment buildings.

13.2 PERMITTED USES

No person shall erect or use any building or structure, or use any land or cause or permit any building or structure to be erected or used, or cause or permit any land to be used, in any Residential R9 Zone variation for any use other than the following uses:

- a) Apartment buildings;
- b) Lodging house class 2; (Z.-1-93172)
- c) Senior citizens apartment buildings;
- d) Handicapped persons apartment buildings
- e) Continuum-of-care facilities. (Z.-1-01915)

R9-7(23) 1643, 1649, and 1653 Richmond Street

- a) Permitted uses for 1643 and 1649 Richmond Street:
 - i) Apartment Buildings
- b) Regulations for 1643 and 1649 Richmond Street:
 - i) Frontage 50 metres (165 feet)
(Minimum):
 - ii) Lot Area 0.4 hectares (1 acre)
(Minimum):
 - iii) Interior Yard Depth 3 metres (10 feet)
(Minimum):
 - iv) No part of any required front yard, required side yard, or required rear yard shall be used for any purpose other than landscaped open space except where a common internal driveway connects to abutting properties located in a required side yard, or where access to an underground parking garage is necessary in a required side yard.
 - v) Height (first 25.0 metres of lot depth) (Maximum): 22.0 metres (72.2 feet)
 - vi) Height (beyond the first 25.0 metres of lot depth) (Maximum): 15.0 metres (49.2 feet)

SOURCE: CITY OF LONDON ZONING

ZONING EXCERPTS

- vii) Setback from Rear Property Line (Minimum): 50.0 metres (164 feet)
- viii) Surface Parking Area Setback from Rear Property Line (Minimum): 28 metres (91.9 feet)
- c) Permitted uses for 1653 Richmond Street:
 - i) Apartment Buildings
 - ii) Medical/Dental Offices on ground floor of an apartment building
- d) Regulations for 1653 Richmond Street:
 - i) Frontage (Minimum): 20 metres (66 feet)
 - ii) Lot Area (Minimum): 0.16 hectares (0.4 acres)
 - iii) Interior Yard Depth (Minimum): 3 metres (10 feet)
 - iv) Exterior Yard Depth (Minimum): 0.0 metres (0.0 feet)
 - v) No part of any required front yard, required side yard, or required rear yard shall be used for any purpose other than landscaped open space except where a common internal driveway connects to abutting properties located in a required interior side yard, where access to an underground parking garage is necessary in a required interior side yard, where a common driveway provides vehicular access to Hillview Boulevard in the required exterior side yard, or where a vestibule structure is required to provide secondary entrance to an underground parking structure in accordance with the Ontario Building Code in the required rear yard.
- e) Additional regulations for Apartment Buildings:
 - i) Height for the first 25.0 metres of lot depth (Maximum): 20.0 metres (65.5 feet)
 - ii) Height beyond the first 25.0 metres of lot depth (Maximum): 17 metres (56 feet)
 - iii) Setback from Rear Property Line (Minimum): 50.0 metres (164 feet)
- f) Additional regulations for Medical/Dental Offices:
 - i) Gross Floor Area (Maximum): 430 metres² (4,630 feet²)
 - ii) Parking: 1 space/15 metres² GFA
- g) Regulations applicable to and measured based on R9-7(23) Zone Boundaries:
 - i) Density (Maximum): 200 units per hectare (80 units per acre)
 - ii) Lot Coverage (Maximum): 45%
 - iii) Front Yard Depth (Maximum): 3 metres (10 feet)
 - iv) Bedrooms per Dwelling Unit (Maximum): 3
 - v) Rear Yard Depth: 15 metres (49 feet)
 - vi) Parking for Residential Uses (Z.-1-142355 replaced by Z.-1-192769): 0.67 spaces/unit

SOURCE: CITY OF LONDON ZONING

HIGHEST AND BEST USE

The term "Highest and Best Use" is generally considered in appraisal terminology as relating to the most profitable, likely use to which a property can be put, which will result in the greatest net return over a given period of time. For an asset to have value, it must be capable of providing some form of beneficial utility or enjoyment to the owner or user. An examination of the Highest and Best or most probable use is, therefore, critical to the appraisal process.

The Highest and Best Use analysis provides a focus for the choice of an appropriate valuation methodology. If a property's current use is its highest and best use, its most probable selling price will ordinarily be a function of the existing use. Should the use of either the land as if vacant, or an alternative use of the land and structures as developed be found to represent the most beneficial use, the Market Value of the asset will likely be governed by this alternative.

There are five basic criteria for determining the Highest and Best Use of a property, which are outlined in *The Appraisal of Real Estate*, Third Canadian Edition. These criteria are:

Legally Permissible:

In order for a use to be the Highest and Best Use, it must be legally permissible, that is it must be in accordance with the Zoning Bylaw and other land use controls.

Physically Possible:

The use must be physically possible, which is dependent on numerous factors, such as, site size, topography, and site configuration. Also considered are the utilities available, including hydro, water, sanitary systems, etc.

Probable:

The probability of a use takes into consideration the existing neighbourhood and how it would fit within that neighbourhood. A certain type of use may be physically possible and legally permissible, however, if it does not conform to the neighbourhood, it would not be probable.

Marketable and Financially Feasible:

This refers to the costs associated with developing the site (construction costs, development charges, etc.) and compares them with the projected revenue (rental revenue from market rents, vacancy rates, etc.). If it produces a positive rate of return, then the use is financially feasible.

Maximally Productive:

This is the final test in determining the Highest & Best Use, to be used when the first four tests have been passed. It compares several different uses and determines which one maximizes the returns while balancing the risk. The use, which produces the greatest Rate of Return, is maximally productive.

ADDITIONAL CONSIDERATION

In addition to the general factors associated with the Highest and Best Use concept, the appraiser gave consideration to the following site-specific items:

- The Subject site is situated in an area which is designated as Neighbourhoods under the London Plan, in which the development of a medical office / residential building is permitted. The Subject site is zoned R9-7(23) Residential R9 Zone, which allows for a wide range of uses which is consistent with the existing development in the surrounding area.
- In order for any use to be considered physically possible, it must first be legally permissible to develop that use on the site. The physically possible uses must also consider various factors about the site as well as factors in the neighbourhood which would prevent development. Compatibility with existing surrounding land uses is also an important physical consideration for harmonious development. Typically, real estate benefits and maintains its value when in conformity with surrounding uses, unless the non-conforming use is compatible with those uses. The Subject Property is located in a commercial and residential node. Based on the legally permitted uses and the land uses surrounding the Subject Property, it appears that the Subject site is well suited for its current use.
- The location of the Subject development is situated along Richmond Street, would suggest that its most probable economic viability would be for commercial uses. The Subject Property is located in an established commercial and residential node.

It is the appraiser's opinion the Highest and Best Use for the Subject Property would be represented by a continuation of its current commercial and residential use, in accordance with zoning and market demand within the area. The structure is functional and offers good accommodations and competitive commercial space within the Subject Property area. No economic justification for altering or changing the existing structures appeared to exist at this time, with the exception of continued maintenance as required to maintain the property position within the marketplace.

If the site was vacant and available for development, it is anticipated that a commercial and residential type of development would take place on the site.

Assemblage

Assemblage is a difficult and probably the least understood Highest and Best Use conclusion to support. There are three (3) elements necessary for an 'assemblage' conclusion of the Highest and Best Use including market value, bilateral monopoly and the reasonably probable aspect of the Highest and Best Use.

An appraisal definition defines assemblage as, "the combining of two or more parcels, usually but not necessarily contiguous into one ownership or use; the process that creates plottage value". Plottage is the increment of value created when two or more sites are combined to create greater utility. For the purchase of property by an adjacent property owner to qualify as an assemblage, the objective of the purchase must be "to create greater utility". This normally involves increasing returns through increasing size.

In the case of the Subject Property, there would be no plottage value created by an assemblage of adjacent properties within the Subject area.

APPROACHES TO VALUE

In estimating the Market Value of a property, there may be three important factors:

- a) The current cost of replacing a property, including the underlying site value, less accrued depreciation from all identifiable sources. Depreciation includes actual physical deterioration as well as functional and economic or locational obsolescence.
- b) The value indicated by market activity including recent sales of comparable properties and the availability of similar facilities offered for sale.
- c) The value that the property's actual or potential net achievable income would support based on a market acceptable capitalization of the net income.

This results in three basic approaches to value:

- a) The Cost Approach
- b) The Direct Comparison Approach
- c) The Income Approach

The three approaches, if all applicable, result in three estimates of value. These estimates are then considered in light of the accuracy, importance and relevancy of the data on which they are based, resulting in a final estimate of value.

The Cost Approach was concluded to have limited or no application in the valuation of the Subject Property. Although the construction costs new of the Subject Building would be available through a variety of methods, the calculation of accrued depreciation from all sources without sufficient market evidence would contribute to the unreliability of this approach. Although the utilization of the Cost Approach in the calculation of 'Feasibility Rent' is often utilized in the valuation of special-use properties, it was concluded that in the Subject case the asset costs would not generally be indicative of value. The Cost Approach is a function of supply conditions, whereas Market Value is merely a function of demand conditions only.

The Direct Comparison Approach involves the analysis of actual market transactions as well as the availability of competitive facilities. It was concluded that the Direct Comparison Approach would provide a reliable indication of value for the Subject Property, providing both physical and economic units of comparison.

The Income Approach to Value was considered and based on the availability of market supportable evidence was considered applicable to the Subject Property. The selection of stabilized rental rates, and under what terms, although subject to potential variation, was considered supportable based on current market activity. The anticipated going-in rate of return and the selection of a capitalization rate from the market is possible.

The Direct Comparison and Income Approaches to Value are more particularly developed on the following pages.

DIRECT COMPARISON APPROACH

The Direct Comparison Approach entails the gathering, analysing and comparison of data on similar properties that have sold, on which offers have been made, or that are available for sale. This approach involves the study of the actions and reactions of buyers and sellers in the marketplace and is basic to the appraisal process. The analysis of sales provides a historic overview of the marketplace which is then updated on the basis of current offers to purchase, and the future predictions suggested by those properties currently offered for sale.

Basically, the Direct Comparison Approach implies the 'Principle of Substitution' which states that a prudent purchaser will not pay more for a property than it would cost to acquire an equally desirable substitute. The properties selected for comparison should be similar in most essential aspects to the Subject Property. In addition to comparing the similar characteristics between the properties, the dissimilar characteristics must also be weighed. The comparable properties may require adjustments to measure the reaction in the market to the differences between the properties.

The underlying basic principle involved in the adjustment process is the 'Principle of Contribution'. Adjustments may be made, where applicable, for influencing factors such as neighbourhood, zoning, time of sale, terms of sale, condition, quality and physical features of the property and any other factors affecting value. In an ideal market situation for applying the Direct Comparison Approach, the following conditions would prevail:

- A reasonable number of sales have occurred between buyers and sellers who are knowledgeable of the local market;
- The sales are closely comparable to the Subject Property;
- The terms of the sale are similar;
- The sales are all very recent; and,
- The sales are 'normally distributed' in a statistical sense.

Unfortunately, even in the best of conditions, there are often insufficient sales that are reasonably comparable. The limits on comparability depend on the types of properties involved. A good comparable is one that would be a reasonable alternative for most prospective buyers who would be interested in the Subject Property.

The market data used was collected from the Valco Consultants Inc. resource library containing real estate facts and data including details of similar sold real property, economic information data files including investment and mortgage rates as well as trends and activity occurring in the real property marketplace. In addition to recorded information, other appraisers, realtors and persons knowledgeable of the subject marketplace were contacted. The actual sale date has been used, where available, for the comparable sales within the Direct Comparison Approach. In the case that the actual sale date was unavailable, the sales registration date has been utilized, with the assumption that it had a typical closing period for that type of property.

Varying sales were considered being primarily commercial building properties with some commercial/residential properties. The data search throughout the general area revealed a limited number of sales involving similar properties. However, the following schedule outlines those transactions considered to provide evidence as to the Subject Property's value by comparison. While none of these properties are the same as the Subject Property, they were considered to lend insight collectively into the market's potential reaction to the Subject Property.

The improved property sales were analysed physically on the basis of:

Price Per Square Foot, Inclusive of Land

This measurement generally reduces the margin of error that can result from differences between the properties being compared.

COMPARABLE SALE #1

**Property Identification:****File#:** 39957**PIN#:** 08245-0093

Address: 782 Richmond Street, London

Location: Central sector of London, east side of Richmond Street, north of Oxford Street

Legal: Part Lots 4 & 5 East Side Richmond Street Plan 193(W) As In 652427

Sale Data:**Property Data:**

Vendor: 2481884 Ontario Limited

Site Area (Acres): 0.10

Purchaser: SAHS Holdings Inc.

Building Area (Sq. Ft.): 4,350

Sale Date: September 9, 2022

Sale Price Per Square Foot: \$362.07

Sale Price: \$1,575,000

Capitalization Rate: N/A

Zoning: OC6; RO1; D85; H20

NOI / Sq. Ft.: N/A

Remarks:

This transaction involves the Fee Simple Interest in a part two, part three storey multi tenant office building. According to the rent roll provided, the property contains a total above grade building area of 4,350 square feet, which does not include an additional 1,578 square feet of lower-level office space in the primarily finished basement which features its own separate rear access. This lower-level office area could function as additional space benefiting the main floor tenant, or as its own potential unit. The lower level is primarily finished, with a typical office layout. There is a glass doorway and vestibule area which provides private access to the lower, main and second floors. The main floor features several office areas, a two (2) – piece bathroom. The main floor area is in good overall condition, with good finishes and a good and typical office layout. The second (2nd) and third (3rd) floors are leased by Bluenose Investments in an office capacity until August 2026. They feature a two (2) – piece washroom on the second floor, and a four (4) – piece washroom on the third (3rd) floor. The area is divided into offices, board rooms, a kitchenette and storage areas, respectively. The third floor features an open, loft style space suitable for a staff area, further offices or a board room. This area is in good to very good condition, with very good finishes and a good layout. Overall, the building is in good to very good overall condition, with good to very good finishes and a good to very good layout. There were no significant items of deferred maintenance noted or reported at the date of sale. The site features 7 on site parking spaces.

COMPARABLE SALE #2

**Property Identification:****File#:** 39865**PIN#:** 08247-0172

Address: 279 Wharnccliffe Road North, London

Location: East side of Wharnccliffe Road North, just north of Oxford Street West in west central London

Legal: Part of Lot 2, East of Wharnccliffe Road Plan 5(W) Designated as Part 1, 33R-4578 and Part of Lot 2 North of Oxford Street, Plan 5(W) Designated as Part 1, 33R-10725; T/W 876921; Part of Lot 3, Plan 43(W) as in 863178; S/T 863178 in the City of London

Sale Data:**Property Data:**

Vendor: 279 Wharnccliffe Road Inc.

Site Area (Acres): 1.18

Purchaser: Wharnccliffe District Inc.

Building Area (Sq. Ft.): 28,451

Sale Date: June 16, 2022

Sale Price Per Square Foot: \$358.51

Sale Price: \$10,200,000

Cap. Rate: 4.6%

Zoning: NSA5 - Neighbourhood Shopping Area

GIM: 19.9

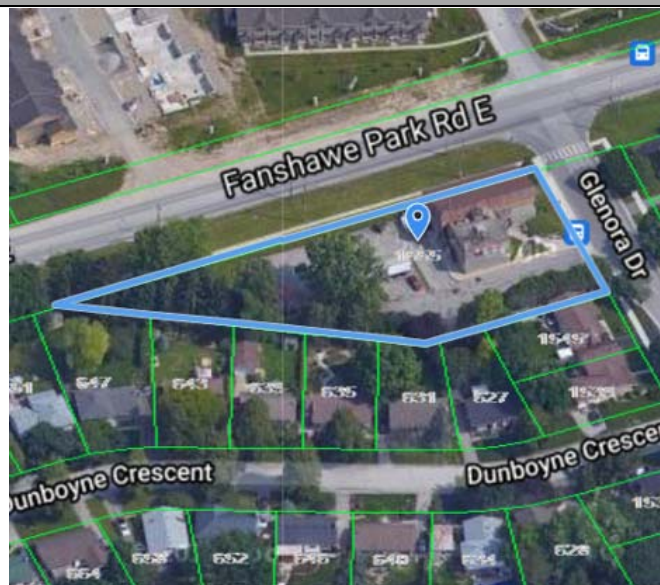
Land Use: Multi-Tenant Medical Office Building

NOI/SF: \$16.46

Remarks:

This transaction involved the purchase of the Leased Fee Interest in a multi-tenant medical office building. The site is improved with a two-storey structure, 100% leased to nineteen tenants with a total leaseable building area of approximately 28,451 square feet. The building is designed with a front main entrance providing access to both floors, with a common hallway down the centre of each floor, one elevator, washrooms, two stairwells and units lining both sides of the hallways. The building also contains a full basement, which is also leaseable space. The building and units were in good condition, with several units having been updated recently. The site has parking for approximately 152 vehicles, which is pay for use for clients (free for tenants) and generates a significant amount of revenue. There were no significant items of deferred maintenance as of the date of sale.

COMPARABLE SALE #3



Property Identification:		File#: 39213	PIN#: 080870382
Address:	1555 Glenora Drive, London		
Location:	North sector of London, south side of Fanshawe Park Road		
Legal:	The Subject Property is briefly and legally described as block "A", plan 924 London/London Township, City of London, Middlesex County, Province of Ontario.		
Sale Data:	Property Data:		
Vendor:	2225755 Ontario Limited	Site Area (Acres):	0.86
Purchaser:	N/A	Building Area (Sq. Ft.):	6,578
Sale Date:	November 2021	Sale Price Per Square Foot:	\$387.66
Sale Price:	\$2,550,000	Capitalization Rate:	5.3%
Zoning:	OF3	GIM:	17.7
Land Use:	Multi Tenant Office Building	NOI / Sq. Ft.:	\$20.51

Remarks:

This transaction involved the purchase of the Leased Fee Interest in a multi tenant office building. The site was improved with a two storey, multi tenant, office building. As per the rent roll provided the above grade building area is 6,578 square feet, divided into seven (7) units, ranging in size between 562 to 1,258 square feet. The building was originally built circa 1973, being in good to very good overall condition with recent upgrades and renovations. The units share a main entrance, hallways, stairwells and washrooms, and have typical layouts that would be suitable to a range of users. There were no significant items of deferred maintenance noted or reported at the date of sale.

COMPARABLE SALE #4

**Property Identification:****File#:** 39014**PIN#:** 082700048

Address: 562 Waterloo Street, London

Location: Central sector of London, in the downtown core

Legal: PT LTS 1 & 2 PLAN 168(E) AS IN LC185757; T/W LC185757 LONDON

Sale Data:**Property Data:**

Vendor: 2328697 Ontario Inc.

Site Area (Acres): 0.40

Purchaser: URLO 212 Inc.

Building Area (Sq. Ft.): 8,050

Sale Date: November 5, 2021

Sale Price Per Square Foot: \$242.24

Sale Price: \$1,950,000

Surface Parking Spaces: 24

Zoning/Use: R3-2; OC2, 3

Use: Multi Tenant Office

Remarks:

This sale involves the purchase of the Leased Fee Interest in a converted, multi tenant office building, located in the downtown core. The two-and-a-half storey building was leased to three tenants, with approximately 50% of the building being owner occupied at the date of sale. The building and units are in very good condition, with high quality finish throughout and having typical layouts. The building also contains a one-bedroom apartment on the 3rd floor. The property is situated in a very good location. The property also features 24 on site parking spaces, being a strong positive.

COMPARABLE SALE #5

**Property Identification:**

File#: 39611

PIN#:082630117

Address: 186 Albert Street, London

Location: Central sector of London, west of Richmond Street

Legal: LT 10 N ALBERT ST PLAN 170(W) LONDON

Sale Data:**Property Data:**

Vendor: Northwood Management Limited

Site Area (Acres): 0.32

Purchaser: Albert Group Inc.

Building Area (Sq. Ft.): 10,455

Sale Date: October 28, 2021

Sale Price Per Square Foot: \$267.81

Sale Price: \$2,800,000

Capitalization Rate: 5.0%

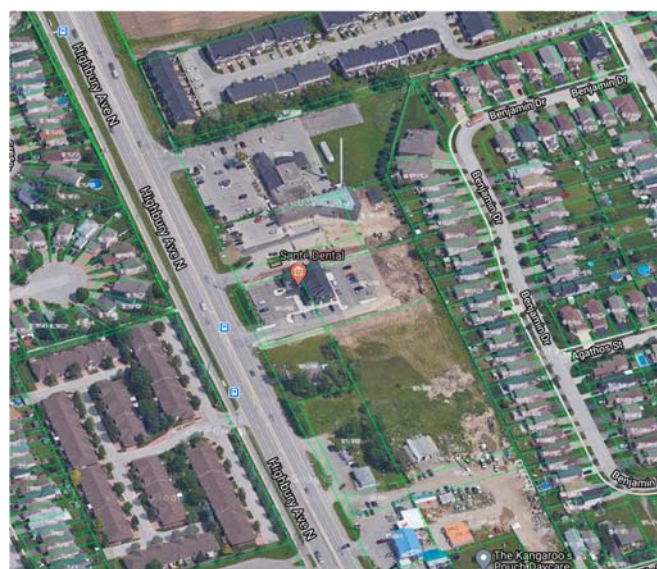
Zoning: R10-3; H24; OC7

NOI / Sq. Ft.: \$13.39

Remarks:

This transaction involves the Leased Fee Interest in a two-storey commercial building in the downtown core of London. The building contains a building area of approximately 10,455 square feet (as per MLS). The building is setup with multiple office units, being primarily professional tenants. It was reported that the roof and HVAC are newer and was in good condition. The property is located in a good location, within the downtown core. The property also benefits from on site parking. Capitalization rate is per the listing agent.

COMPARABLE SALE #6

**Property Identification:****File#:**38274**PIN#s:** 08146-0962 &
08146-0959

Address: 1550 Highbury Avenue, London

Location: East side of Highbury Avenue, between Kilally Road and Edgevalley Road,

Legal: Firstly: Part of Lots 14 & 15, Plan 91 As In ER858433 Save & Except Part 1, Plan 33R-18657 City of London; Secondly: Part of Lots 14 & 15, Plan 91(C) Designated As Part 1, Plan 33R-18608 City of London

Sale Data:**Property Data:**

Vendor: Sant Real Estate Inc.

Site Area (Acres): 1.13

Purchaser: 781 St. Clair Investments Ltd

Building Area (Sq. Ft.): 8,360

Sale Date: July 22, 2021

Sale Price per Sq. Ft.: \$460.50

Sale Price: \$3,850,000

Capitalization Rate: 5.1%

Zoning: Highway
Service Commercial – HS, HS2,
HS3 & Restricted Service
Commercial – RSC1, RSC3, RSC4

GIM: 18.0

Property: Multi Tenant Office Building

NOI Unit: \$23.34

Remarks:

This transaction involved the purchase of the Leased Fee Interest in a newly constructed medical office building, located on the east side of Highbury Avenue, between Kilally Road and Edgevalley Road. The 1.13-acre site was improved with a two-and-a-half storey building, reportedly constructed in 2014, comprised of 8,360 square feet. At the time of writing, the property was fully occupied by two tenants, with an elevator, energy efficient heating/cooling, and benefited from ample surface parking. The building was considered to be in excellent overall condition. The GIM associated with this sale was 18.0, indicating a capitalization rate of 5.1%, and an NOI per square foot of \$23.34.

COMPARABLE SALES - MULTI FAMILY / CONDO UNITS

COMPARABLE SALE #7



PROPERTY IDENTIFICATION:

FILE#: 40135

PIN#: 08386-0039/43

Address: 104 Devonshire Avenue, London

Location: Central sector of the City of London, in a popular area known as 'Old South'

Legal: Plan 448 Lots 302-304, Part Lot 1, E Wharncliffe, Part Lane RP 33R-4807, Part 3, RP 33R-17629

SALE DATA:

UNITS OF COMPARISON

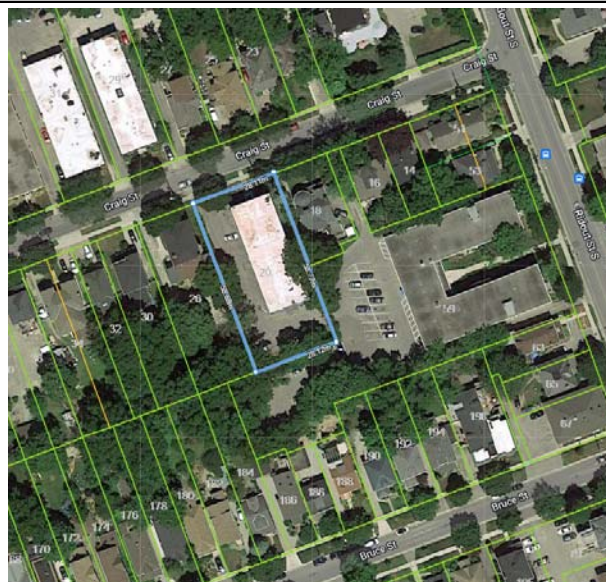
Vendor:	2555596 Ontario Inc.	No. of Units / Beds	25 Units	35 Beds
Purchaser:	N/A	Sale Price / Unit:	\$194,120	per Unit
Sale Date:	November 10, 2022 (Sale Pending)	Sale Price / Bed:	\$138,657	per Bed
Sale Price:	\$4,853,000	GIM:	14.4	
Property Use:	Multi Family Building	Going-in Cap Rate:	4.1%	
Site Area	0.40 Acres	NOI per Unit	\$7,918	

REMARKS:



This transaction involved the purchase of the Leased Fee Interest a five storey, 25 unit, apartment building. The building is of older construction, however, has been well maintained and managed and was in good overall condition. The building consists of 15 - one bedroom apartments, and 10 - two bedroom apartments. The units were of a good size, with typical layouts, contain one - four piece washroom, living room, kitchen, small dining area and bedroom(s), with closets. The units are in good overall condition, with recent upgrades and renovations completed. All of the units have concrete balconies. The building contains one elevator, which access all five floors, plus the lower level.

COMPARABLE SALE #8



PROPERTY IDENTIFICATION:

FILE#: 40135

PIN#: 083750022

Address: 20 Craig Street, London

Location: South central sector of London, in the Old South Village

Legal: LT 35 , PL 269(4TH) , 270(4TH) ; PT LT 34 , PL 269(4TH) , 270(4TH) AS IN LC82121 ; LONDON

SALE DATA:

UNITS OF COMPARISON

Vendor:	Canco Investment Properties Inc.	No. of Units / Beds	25 Units	39 Beds
Purchaser:	20 Craig Apartments Ltd.	Sale Price / Unit:	\$181,890	per Unit
Sale Date:	March 31, 2022	Sale Price / Bed:	\$116,596	per Bed
Sale Price:	\$4,547,255	GIM:	N/A	
Property Use:	Multi Family Building	Going-in Cap Rate:	N/A	
Site Area	0.41 Acres	NOI per Unit	N/A	


REMARKS:



This transaction involved the purchase of the Leased Fee Interest in a purpose-built residential investment property. The site was situated in the south-central sector of London, in an established residential area, known as Old South Village. The unit mix of the property consisted of 6, one-bedroom units, 12, two-bedroom units, 1, three-bedroom unit and 6 bachelor units.

COMPARABLE SALE #9



PROPERTY IDENTIFICATION:		FILE#: 40225		PIN#: 082290164	
Address:		1 Durham Street East, London			
Location:		East central sector of London			
Legal:		PART OF LOT 1, PLAN 49 DESIGNATED AS PART 2 ON 33R-17158; LONDON			
SALE DATA:		UNITS OF COMPARISON			
Vendor:		Named Individuals		No. of Units / Beds	
Purchaser:		1383266 Ontario Limited		4 Units 16 Beds	
Sale Date:		March 28, 2022		Sale Price / Unit:	
Sale Price:		\$1,725,000		\$431,250 per Unit	
Property Use:		Multi Family Building		Sale Price / Bed:	
Site Area		0.14 Acres		\$107,813 per Bed	
				GIM:	
				15.4	
				Going-in Cap Rate:	
				4.7%	
				NOI per Unit	
				\$20,229	
REMARKS:					
<div></div> <p>This transaction involved the purchase of the Leased Fee Interest in a purpose-built residential investment property. The site was situated in the east-central sector of London, in an established residential area, along an arterial road. The unit mix of the property consisted of 4, four-bedroom units, each having four bathrooms. The building is of relatively newer construction, built in 2010, being a purpose built building.</p>					

COMPARABLE SALE #10



PROPERTY IDENTIFICATION:

FILE#: 40225

PIN#: 083260033

Address: 37 – 39 Craig Street, London

Location: South-central sector of London, in the Old South neighbourhood

Legal: PT LTS 28 & 29 , PL 269(4TH) , PT 2, 33R2034, S/T & T/W 455682 ; LONDON

SALE DATA:

UNITS OF COMPARISON

Vendor:	Parks Edge (London) Inc.	No. of Units / Beds	4 Units 8 Beds
Purchaser:	Named Individuals	Sale Price / Unit:	\$400,000 per Unit
Sale Date:	January 4, 2022	Sale Price / Bed:	\$200,000 per Bed
Sale Price:	\$1,600,000	GIM:	20.8
Property Use:	Multi Family Building	Going-in Cap Rate:	3.2%
Site Area	0.33 Acres	NOI per Unit	\$12,890

REMARKS:



This transaction involved the purchase of the Leased Fee Interest in a multi residential investment property. The site was situated in the south-central sector of London, in an established residential area, known as Old South Village. The unit mix of the property consisted of 4, two-bedroom units. The building dates back to the 1800's, however, was extensively renovated and upgraded in 2005/ 2006, being in very good overall condition. The units have very good level of finish, are of a large size, with typical layouts. The units are separately metered for water, gas and hydro.

COMPARABLE LISTING #11



PROPERTY IDENTIFICATION:

FILE#: 40225

PIN#: 082290168

Address: 656 Oxford Street East, London

Location: East sector of London, east of Adelaide Street

Legal:

PART LOT 51, PLAN 7 LONDON TWP DESIGNATED PARTS 1 & 2, PLAN 33R18728 SUBJECT TO AN EASEMENT OVER PART 2, PLAN 33R-18728 IN FAVOUR OF PARTS 3 & 4, PLAN 33R-18728 AS IN ER906105 TOGETHER WITH AN EASEMENT OVER PART 3, PLAN 33R-18728 AS IN ER906115 CITY OF LONDON

SALE DATA:

UNITS OF COMPARISON

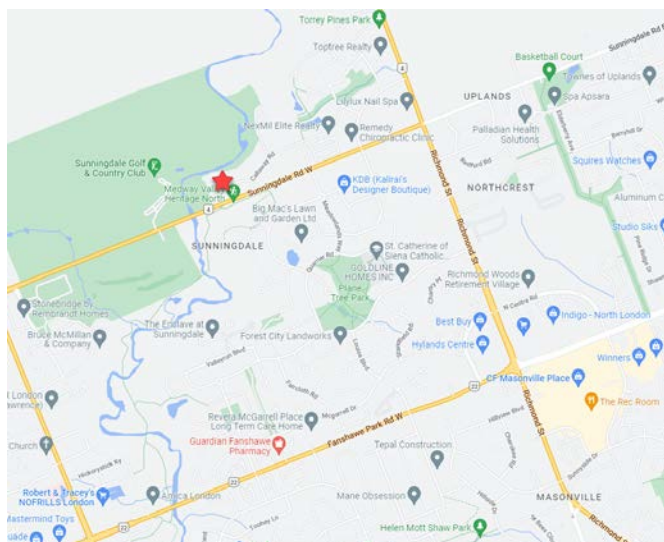
Vendor:	Terranova Homes (London) Inc.	No. of Units / Beds	4 Units 16 Beds
Purchaser:	N/A	List Price / Unit:	\$600,000 per Unit
List Date:	Active Listing	List Price / Bed:	\$150,000 per Bed
List Price:	\$2,400,000	GIM:	26.0
Property Use:	Multi Family Building	Going-in Cap Rate:	3.0%
Site Area	0.19 Acres	NOI per Unit	\$17,952

REMARKS:



This active listing involves the Leased Fee Interest in a purpose-built residential investment property. The site was situated in the east-central sector of London, along an arterial road. The unit mix of the property consisted of 4, four-bedroom units. The building was built circa 2015, with the building and units being in very good condition. Each unit contains 1,800 square feet, being large in size with typical layouts. The units have four bedrooms, four bathrooms, with open concept layout. The tenants pay all of the building utilities.

COMPARABLE SALE #12



PROPERTY IDENTIFICATION:

FILE#: 40225

Address: 460 Callaway Road, London (Suite #901; #508)

Location: North sector of London, north of Sunningdale Road, west of Richmond Street

SALE DATA:

UNITS OF COMPARISON

Sale Date: August 18, 2022
September 26, 2022

of Bedrooms: 2

Sale Price: \$710,000 (#901)
\$638,000 (#508)

of Bathrooms: 2

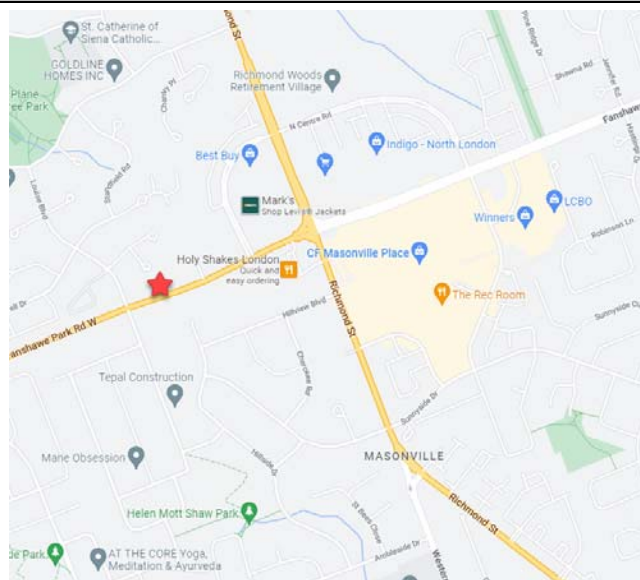
Building Area: 1,420 sf
1,220 sf

REMARKS:



These two transactions involved the purchase of the Fee Simple Interest of a condominium unit. The property is located at 460 Callaway Road, London, ON. The building is of new construction, being built circa 2022. This building is in very good condition, being built by one of London's premier developers, Tricar. The units contain 1,420 and 1,220 square feet, each having 2 bedrooms, 2 bathrooms, with high end finishes. The unit also includes two underground parking spaces. The property is located along Sunningdale Gold Club, in a prominent north London location.

COMPARABLE SALE #13



PROPERTY IDENTIFICATION:

FILE#: 40225

Address: 1705 Fiddlehead Place, London (Suite #107, 304, 311, 407)

Location: North sector of London, north side of Fanshawe Park Road, west of Richmond Street

SALE DATA:

UNITS OF COMPARISON

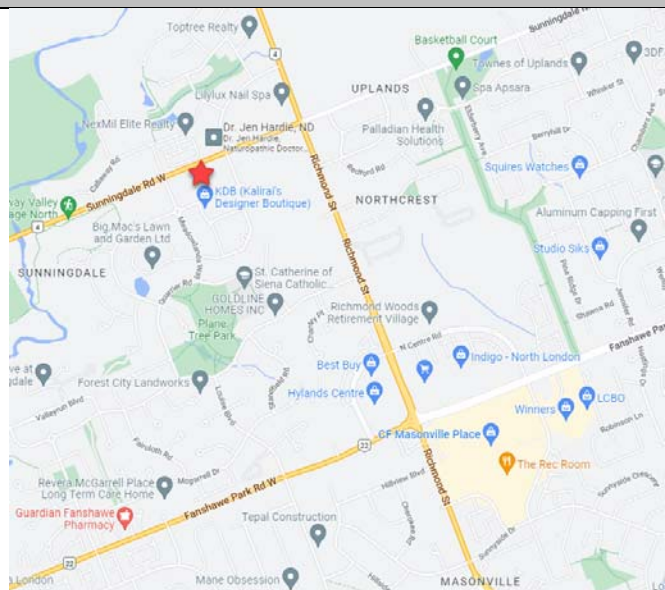
Sale Date:	October 6, 2022	# of Bedrooms:	2
	September 6, 2022		3
	September 29, 2022		2
	September 19, 2022		2
Sale Price:	\$867,000 (#107)	# of Bathrooms:	2.5
	\$860,000 (#304)		2.5
	\$640,000 (#311)		2.0
	\$685,000 (#407)		2.0
		Building Area:	1,980 sf
			1,980 sf
			1,515 sf
			1,730 sf

REMARKS:



These four transactions involved the purchase of the Fee Simple Interest of a condominium unit. The property is located in the north sector of London, in the Masonville area. The building is of new construction, being built circa 2016. This building is in very good condition. The units contain 1,515 to 1,980 square feet, each having 2 or 3 bedrooms, 2 to 2.5 bathrooms, with high end finishes. The unit also includes two underground parking spaces.

COMPARABLE SALE #14



PROPERTY IDENTIFICATION:

FILE#: 40225

Address: 240 Villagewalk Boulevard, London (Suite #1013, 1105, 1108)

Location: North sector of London, west of Richmond Street, on the south side of Sunningdale Road West

SALE DATA:

UNITS OF COMPARISON

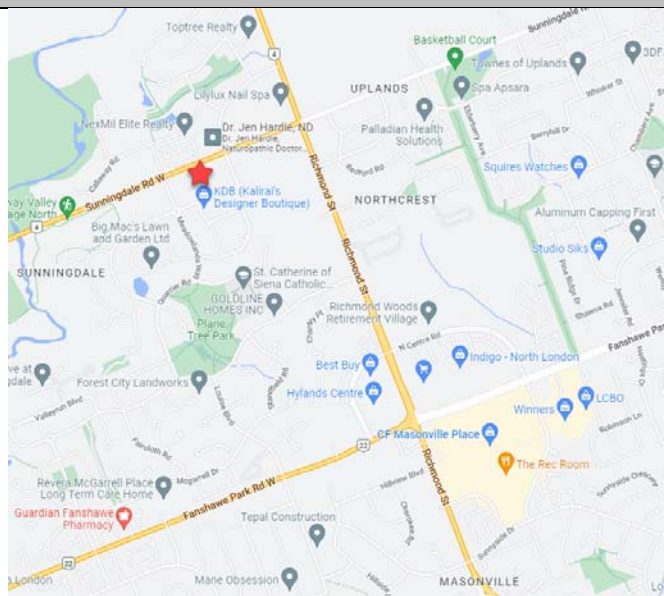
Sale Date:	October 14, 2022	# of Bedrooms:	2
	January 17, 2023		2
	October 26, 2022 - Pending		3
Sale Price:	\$550,000 (#1013)	# of Bathrooms:	1
	\$598,000 (#1105)		2
	\$1,075,000 (#1108)		2.5
		Building Area:	1,111 sf
			1,402 sf
			2,392 sf

REMARKS:



These three transactions involved the purchase of the Fee Simple Interest of a condominium unit. The property is located in the north sector of London, on the south side of Sunningdale Road West, west of Richmond Street. The building is of new construction, being built circa 2016. This building is in very good condition, built by Tricar. The units contain 1,111 to 2,392 square feet, each having 2 or 3 bedrooms, 1 to 2.5 bathrooms, with high end finishes. The unit also includes two underground parking spaces. The building features very good amenities, including an indoor pool, fitness centre, golf simulator, guest suite.

COMPARABLE SALE #15



PROPERTY IDENTIFICATION:

FILE#: 40225

Address: 260 Villagewalk Boulevard, London (Suite #1107)

Location: North sector of London, west of Richmond Street, on the south side of Sunningdale Road West

SALE DATA:

UNITS OF COMPARISON

Sale Date: October 26, 2022

of Bedrooms: 2

Sale Price: \$1,075,000

of Bathrooms: 2.5

Building Area: 2,554 sf

REMARKS:



This transaction involved the purchase of the Fee Simple Interest of a condominium unit. The property is located in the north sector of London, on the south side of Sunningdale Road West, west of Richmond Street. The building is of new construction, being built circa 2018. This building is in very good condition, built by Tricar. The unit contains 2,554 square feet, having 2 bedrooms, 2.5 bathrooms, with high end finishes. The unit also includes two underground parking spaces. The building features very good amenities, including an indoor pool, fitness centre, golf simulator, guest suite.

COMPARABLE SALES CHART 1653 RICHMOND STREET, LONDON, ONTARIO								
#	Sale Date	Property Address	Sale Price	Bldg. Area (SF) / # of Units	Sale Price Per SF / # of Units	GIM	Overall Cap Rate	NOI Per SF / Unit
OFFICE BUILDINGS								
1	September 2022	782 Richmond Street, London	\$1,575,000	4,350	\$362.07	--	--	--
2	June 2022	279 Wharncliffe Road North, London	\$10,200,000	28,451	\$358.51	19.9	4.6%	\$16.46
3	November 2021	1555 Glenora Drive, London	\$2,550,000	6,578	\$387.66	17.7	5.3%	\$20.51
4	November 2021	562 Waterloo Street, London	\$1,950,000	8,050	\$242.24	--	--	--
5	October 2021	186 Albert Street, London	\$2,800,000	10,455	\$267.81	--	5.0%	\$13.39
6	July 2021	1550 Highbury Avenue, London	\$3,850,000	8,360	\$460.50	18.0	5.1%	\$23.34
MULTI FAMILY								
7	November 2022	104 Devonshire Avenue, London	\$4,853,000	25	\$194,120	14.4	4.1%	\$7,918
8	March 2022	20 Craig Street, London	\$4,547,255	25	\$181,890	--	--	--
9	March 2022	1 Durham Street East, London	\$1,725,000	4	\$431,250	15.4	4.7%	\$20,229
10	January 2022	37 – 39 Craig Street, London	\$1,600,000	4	\$400,000	20.8	3.2%	\$12,890
11	Active Listing	656 Oxford Street East, London	\$2,400,000	4	\$600,000	26.0	3.0%	\$17,952
CONDO UNITS								
12	Aug, Sept. 2022	460 Callaway Road, London	\$638,000 \$710,000	1	\$638,000 \$710,000	--	--	--
13	Sept., Oct. 2022	1705 Fiddlehead Place, London	\$867,000 \$860,000 \$640,000 \$685,000	1	\$867,000 \$860,000 \$640,000 \$685,000	--	--	--
14	Oct., 2022, Jan. 2023	240 Villagewalk Boulevard, London	\$550,000 \$598,000 \$1,075,000	1	\$550,000 \$598,000 \$1,075,000	--	--	--
15	October 2022	260 Villagewalk Boulevard, London	\$1,075,000	1	\$1,075,000	--	--	--

The documented transactions have been summarized below on the bases of the high and low benchmarks of comparison, as well as the truncated mean of each category:

Range	Building Area	Sale Price Per SF	GIM	Adj. Overall Cap Rate	NOI / SF
LOW	4,350	\$242.24	14.4	3.0%	\$13.39
HIGH	28,451	\$460.50	26.0	5.3%	\$23.34
TRUNCATED MEAN	8,361	\$344.01	18.4	4.5%	\$18.49

ANALYSIS OF SALES

The sales utilized were situated in London Ontario. The foregoing sales data was analysed physically on the basis of sale price per unit. This measurement generally minimizes the margin of error that can result from differences between the properties being compared.

The foregoing sales that occurred between July 2021 and January 2023 are considered to be the best data available from which the Direct Comparison Approach can be used to estimate a value for the Subject Property.

As can be noted, the comparable transactions ranged from \$242.24 to \$460.50 per square foot. The range in selling price is primarily a direct reflection of the size of the properties, the quantity/quality of the building improvements, together with location and the motivation on the part of the buyer.

While it would have been desirable to have a greater number of sales the same size and having the same type and quality of building improvements as the Subject Property, and in the same general area, such was not the case. Therefore, the foregoing data has to be utilized and adjustments made in comparison to the Subject Property.

Sales Analysis Procedure

In order to adjust the sales, a unit of comparison must be established. In valuing the Subject Property, the sales were analysed on a sale price per square foot basis which is considered to be the most appropriate method of estimating a final value for the Subject Property.

Adjustments

In considering adjustments to comparable sales, the appraiser must acknowledge the influence of the presence or absence of factors being considered on the probable price of the Subject Property. The actual sale price of each comparable is known. The element being sought in each adjustment is the estimated sale price at which the comparable would have sold were it identical to the Subject Property.

Some of the most critical elements of comparison have been addressed as follows:

Property Rights Conveyed

The property rights conveyed for the comparable sales used, were both Fee Simple or Leased Fee Interest.

Financing Terms

The sale price of one property may differ from that of an identical property due to the financial arrangements provided. This is particularly the case where the comparable has a preferable financing package as contrasted to that which is available in the prevailing market. It should be noted that interest rates have been increasing amongst lenders in recent months, in response to the Bank of Canada's benchmark interest rate increases. This rate was 4.25% as of December 7, 2022, which is a significant increase from its recent low of 0.25%. Although these increased rates will certainly have an impact on slowing down the recent rapid increase in Market Values, the demand in place for these properties remains strong. Therefore, where required, adjustments were made for financing terms.

Conditions of Sale

Adjustments for conditions of sale typically reflect the motivation of buyer and the seller. No adjustments were applied for this factor.

Market Conditions

The date of sale identifies market conditions prevailing at the time the transaction occurred. Market conditions may change between the date of sale of the comparable, and the effective date of the appraisal. The comparable sales analysed transacted from a period between July 2021 and January 2023. Real estate values have trended upwards in most areas throughout Ontario during the past several years, with the major reasons being the lowering of mortgage interest rates and an increase in demand across most property types. However, with all of that being said, it should also be noted that interest rates have been increasing amongst lenders in recent months, in response to the Bank of Canada's benchmark interest rate increases. This rate was 4.25% as of December 7, 2022, which is a significant increase from its recent low of 0.25%. Although these increased rates will certainly have an impact on slowing down the recent rapid increase in Market Values, the demand in place for these properties still remains strong. Therefore, where required, adjustments were made for time.

Location

Market Value is highly sensitive to location. The Subject Property is located along Richmond Street, in an established area of London, in a very good location of north London. The improved comparable sales identified and used as at the effective date were located in areas that were either superior, similar, or inferior to the Subject's location. I have considered the foregoing within the analysis of each comparable transaction. Where applicable, adjustments were made.

Economic Characteristics

This item includes all the attributes of a property that affect its net operating income and is usually an element of comparison applied to income-producing properties. Where applicable, adjustments were made.

Physical Characteristics

This is a term that includes the physical differences between the comparable and the Subject. With regard to comparison of commercial/residential buildings, factors included under physical items would be condition, building age/updates, building size, layout, etc.

The Subject Property is improved with a mixed use commercial/residential building in good to very good condition, being of newer construction. Where applicable, adjustments were made.

Site Size (Acres)

This is a term that includes the physical differences between the comparable and the Subject. With regard to comparison of commercial/residential buildings, factors included site size, parking, etc.

The Subject Property contains a total of 0.52 acres. Where applicable, adjustments were made.

Expenditures Made After Purchase

This item can be seen with properties which will require extensive capital expenditures (Cap Ex) by the purchaser in order to re-position the property or up-grade the improvements to maintain the properties position within the market. Generally associated with a reduction in the potential value of the property. No adjustments were necessary to the comparable sales.

Zoning and Land Use

Properties may exhibit similar locational and physical attributes but have different zoning or land use classifications. The comparable sales had a similar commercial zoning designation and London Plan land use designation as the Subject Property. Where applicable, adjustments were made.

PHYSICAL - ECONOMIC PROPERTY ANALYSIS

The physical analysis on the basis of sale price per square foot of building area inclusive of land has a direct relationship to the income potential of the property. In this method of comparison, the individual sales have been reduced to a common unit of comparison - sale price per square foot of building area inclusive of land area. The stabilized economic capabilities of the property is also reduced to a common unit of comparison. The economic factors have generally been adjusted by the market participants for such factors as location, condition as well as supply and demand. The physical-economic analysis of the property is based on the following process:

- The Net Operating Income (NOI) derived by the Subject Property is divided by the total area of the building to arrive at the net income on a per square foot basis as shown in Column C.
- The unit price provided by the Subject Property is then divided into the comparable sales net operating income per square foot to arrive at a multiple as shown in Column D. This represents the relationship between the comparable and the Subject Property and provides guidance with regards to the adjustment required to reflect the Subject Property's anticipated market value relative to the economic capabilities of the comparable property.
- The factor arrived at is then multiplied by the sale price per square foot of the respective comparables (Column A) to arrive at an adjusted sale price per square foot (Column E).

The Subject Property revealed an average Net Operating Income of approximately \$18.70 per square foot based on the Net Operating Income divided by the overall leasable area (\$452,696 NOI / 24,209 square feet).

The following chart outlines the analysis utilized and the adjusted values suggested for the Subject Property:

Physical Economic Value Adjustments					
	A	B	C	D	E
Sale #	Sale Price per S. F.	NOI Per S. F.	Subject's NOI Per S. F.	Multiple (C / B)	Adjusted Sale Price Per S. F. (A x D)
2	\$359	\$16.46	\$18.70	1.14	\$408
3	\$388	\$20.51	\$18.70	0.91	\$354
5	\$268	\$13.39	\$18.70	1.40	\$374
6	\$461	\$23.34	\$18.70	0.80	\$369
Average					\$376

All of these transactions involved the acquisition of commercial related building transactions throughout London Ontario. The comparables were analysed physically on the basis of Sale Price Per Square Foot of Building Area, inclusive of land. Prior to the adjustment process taking place, the comparable sales indicated a range of square foot rates from a low of approximately \$268 per square foot to a high of \$461 per square foot. When adjusted for average Net Operating Income per square foot the range narrows resulting in an overall range between \$354 and \$408 per square foot with an average unit price of \$376 per square foot of building area, inclusive of land.

The Market Conditions would be considered reasonably stable for this type of property. The location of the properties generally in good quality commercial locations would be considered comparable locations relative to the Subject Property requiring various adjustments relative to the Subject Property. The zoning designation for the comparable properties would be considered similar to the Subject Property requiring limited adjustment.

After carefully weighing all available information, a square foot rate between [REDACTED] is considered to be applicable for the Subject Property. This value range reflects the condition and age of the building, location, quality of the tenants and the length of the leases. Applying this unit range to the Subject Property's leaseable building area of 24,209 square feet provides a value range as follows.

DIRECT COMPARISON APPROACH VALUE RANGE	
Building Area (Sq. Ft)	[REDACTED]
Rate Per Sq. Ft.	
Indicated Value Range	
Rounded Value Range	

INCOME APPROACH

The Income Approach involves an analysis of the actual and/or estimated income potential of the Subject Property which is rendered into an estimate of value by a capitalization process. The process provides an indication of present worth of the future benefits of the income stream. The rate at which the net income is capitalized is consistent with its quality, quantity and durability. These returns generally fall into two categories. First, there is the annual net income stream receivable during the investment period or cycle. Second, there is the residual value of the assets at the end of the investment cycle.

The investment cycle is the period of time over which an investor commits capital. Except for speculative investments, this time period is generally related to the anticipated remaining productive life of a property and the term over which the property will satisfy the investor's objectives. The location; trends; age and condition of site improvements; cost of the investment capital; ability to provide security and tax shelter; and the availability of alternative investment vehicles are the basic factors on which an investment cycle is determined. The investor's tax position is often a major influencing factor.

The probability of a property increasing in value over the investment cycle is also an important consideration in the selection of an appropriate rate. First, if there is little or no probability of real growth or gain in value, the investor must look to the income stream to provide a full return on investment. This will result in a relatively high capitalization rate when alternative investments offer real growth potential. Second, in the case of an investment property that may or will decline in value (depreciate) in value, the investor must recover from the income stream the full return on the investment capital plus recapture of the depreciation. This situation also results in a high capitalization rate including both return on and return of the investment. The third alternative is where the real value of a property is expected to increase over the investment cycle. This results in a lower capitalization rate because no recapture of depreciation is required and part or all of the return on the capital invested is achieved by way of the growth or gain in value. This gain (capital gain) may be taxed at a lower effective rate resulting in a further benefit to the investor in the way of a greater after tax return.

Lease Analysis

The following definitions have been outlined as provided by the Appraisal of Real Estate; Third Canadian Edition and has been used throughout this report.

Rent

Seven different types of rent can affect income; namely, contract rent, market or economic rent, effective rent, excess rent, deficient rent, percentage rent and overage rent.

- i) Contract Rent is the actual rental income specified in a lease. It is the rent agreed on by the landlord and the tenant and may be higher than, less than or equal to market rent.
- ii) Market Rent or Economic Rent is the rental income a property would most probably command in the open market. It is indicated by the current rents that are either paid or asked for comparable space with the same division of expenses as of the appraisal.
- iii) Effective Rent (or actual occupancy cost) is an analytical tool used to compare leases with different provisions and develop an estimate of market value. Effective rent may be defined as the total of base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, e.g., free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances and other leasing incentives.
- iv) Excess Rent is the amount by which contract rent exceeds market rent at the time of the appraisal. Excess rents created by a lease that is favourable to the lessor and may reflect superior management or a lease that was negotiated in a stronger rental market.
- v) Deficient Rent represents the amount by which market rent exceeds contract rent at the effective date of the appraisal. It is created by a lease favourable to the tenant and may reflect uniformed parties, inferior management, or a lease executed in a weaker rental market.

- vi) Percentage Rent is the rental income received in accordance with the terms of a percentage clause in a lease. Percentage rent is typically derived from retail tenants and is based on a certain percentage of their sales revenue. It is usually paid at the end of each year and may be more difficult to collect than other forms of rent paid on a more regular basis.
- vii) Overage Rent is the rent paid and above the guarantee minimum rent or base rent. The level of sales at which a percentage clause is activated is specified in a lease called a “breakpoint”.

Leases

- i) Gross Lease is a lease in which the landlord received stipulated rent and is obligated to pay all or most of the operating expenses and real estate taxes.
- ii) Net Lease is a lease in which the tenant pays all property charges in addition to the stipulated rent.

Level and Schedule of Rental Payment

- i) Flat Rental Lease or Level Payment is the lease that has a specified level of rent that continues throughout the lease term. In a stable market, this type of lease is typical and acceptable.
- ii) Variable Rental Lease is common, particularly when an owner anticipates periodic changes in market rent. This type of lease may specify a periodic percentage change, at other times, the change may be tied into a specific index such as the ‘Consumer Price Index’.
- iii) Step-up or Step-down Lease provides for a certain rent for an initial period followed by an increase or decrease in rent overstated periods during the term of the lease.
- iv) Annual Increase Lease is one of the most common leases which simply increases the rent annually by a dollar amount specified in the lease.
- v) Revaluation Lease provided for the rent adjustments at periodic intervals based on the revaluation if the market rent under prevailing market conditions. If a short term lease with a renewal option cannot agree on the rent, revaluation through appraisal or arbitration may be stipulated in the lease.
- vi) Percentage Leases in some or all gross leases is based on a specified percentage of the volume of business, productivity or use achieved by the tenant. They may be short or long and are most frequently used in retail properties.

Building Area

- i) Gross Living Area (GLA) is the total area of finished, above-grade residential space, calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-ground living space. Finished basements and attic areas are not generally included in gross living area.
- ii) Gross Building Area (GBA) is the total area of building, excluding unenclosed areas, measured from the exterior of the walls; includes both the superstructure floor area and the substructure or basement area.
- iii) Gross Leasable Area (GLA) is the total area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the centre of the joint partitioning to the outside wall surfaces.
- iv) Rentable area is described as the usable area of the tenanted space plus allocation of floor common area. (e.g., lobby, janitorial areas, washrooms). The rentable area is normally used as the basis for determining base and additional rent.

Note: The acronym GLA can stand for two different area measurements. Residential appraisers use it for the Gross Living Area while commercial appraisers use it for Gross Leasable Area.

POTENTIAL GROSS INCOME

The Subject Property contains a total of 24,209 square feet, with two (2) commercial units on the main floor and nine (9) residential units on the upper floors. The majority of the main floor is owner occupied and setup as a medical clinic, along with an approximate 1,000 square foot area that is designated for use as a pharmacy. This unit/area is currently vacant, however, anticipated that a pharmacy tenant will occupy this space moving forward. The primary commercial unit was owner occupied as of the Effective Date, with the residential apartments being fully leased (two units are leased, however, are vacating in February 2023 and will be re-leased). The commercial lease is projected to be on a Net basis, with the tenant being responsible for the majority of the operating expenses, including the commercial portion of the property taxes, building insurance, utilities, etc. The residential tenants are on a Semi Gross basis, with the tenants paying their base rent and utilities. The property owner is responsible for the residential portion of the property taxes, insurance, repairs and maintenance.

A market rental rate has been inserted for the owner occupied commercial unit, and pharmacy units, as well as the two residential units that are set to be re-leased in February 2023.

There is currently a lease in place (non arms length) for the main floor medical clinic, which will be factored into this report, as requested by the Client. The lease runs from November 21, 2016 to November 20, 2026, at a rate of [REDACTED] per month [REDACTED] per annum; [REDACTED]f). For the purposes of this report, the remainder of this lease has been used (45 months) and stabilized with a market rent of [REDACTED] / sf (75 months), for a ten (10) year investment horizon. A market rent of [REDACTED] per square foot has been inserted for the pharmacy unit.

The Income Approach is most meaningful when market leasing is in effect for the subject building and operating statements are available, whereby the revenue and operating expenses actually being experienced can be analysed and interpreted. In this instance, the basis of the Income Approach is to utilize the contract rents and current operating expenses. Adjustments are made for recoverable expenses and any other sources of ancillary income that may be present. This income stream is used to determine a net income which is then capitalized into a present value as an investment. Under this assumption, the economic aspect of the real estate holdings must be developed on the basis of estimates or projections that are considered to apply. Market rent is defined as the most probable rent the Property would command on the open market, as indicated by current market rentals being paid for comparable space. Appropriate adjustments must be made for building size, building age, quality of finish, location, etc.

1653 RICHMOND STREET, LONDON, ON GROSS REVENUE SUMMARY				
Unit	Tenant	Unit Size	Rent per Sq. Ft. / Month	Annual Revenue
COMMERCIAL UNIT				
Main Floor	Children After Hours Clinic (owner occupied)	5,108	(1	
Main Floor	Pharmacy (vacant)	1,000		
RESIDENTIAL UNIT				
Apartment #1	Named Individuals	2 BR		
Apartment #2	Named Individuals	2 BR		
Apartment #3	Named Individuals	2 BR		
Apartment #4	Named Individuals	2BR		
Apartment #5	Named Individuals	2 BR		
Apartment #6	Named Individuals	2 BR		
Apartment #7	Named Individuals	2 BR		
Apartment #8	Named Individuals	2 BR		
Apartment #9	Named Individuals	2 BR		
Total	--	--		

MARKET RENTAL STUDY

A rental study was conducted to determine the most appropriate market rent for the Subject Property. The study indicated a range from a low of \$10.00 to a high of \$50.00 per square foot on a Net lease basis, for comparable office buildings, both downtown and suburban locations. Office rental rates have remained fairly stable over the past few years, due in large part to the relatively high vacancy rate. Throughout the pandemic, there was a slow decrease in rental rates, with very limited activity in the downtown core. There was an increase in activity in 2022, however, any changes in vacancy rates and rental rates have remained small.

The Subject Property is considered to be superior to the majority of the office space within the city, being above the outlined range of comparable market rents. The Subject Property is located in a very good area of north London. The property also provides on site parking, which is a strong positive and will also be reflected in the rental rate.

Based on these points, a rate above the range appears to be reasonable. A copy of the rental study is located on the following pages, outlining core area office buildings, as well as suburban office buildings.

MARKET RENTAL STUDY DOWNTOWN CLASS A & B OFFICE BUILDINGS						
#	Address	Class of Building	Total Building Area (Sq. Ft.)	Vacancy	Net Rent / Sq. Ft.	Gross Rent / Sq. Ft.
1	255 Queens Avenue	A+	382,000	8.4%	\$19.75 - \$23.25	\$35.31
2	140 Fullarton Street	A	205,663	18.8%	\$14.00	\$27.28
3	148 Fullarton Street	A	206,166	12.3%	\$14.00	\$27.18
4	465 Richmond Street	A	33,838	7.0%	\$14.00	\$27.46
5	114 Dundas Street	B+	18,539	80.0%	\$10.00	\$18.81
6	150 Dufferin Avenue	B+	149,389	26.7%	\$12.00	\$24.97
7	244 Pall Mall Street	B+	28,353	6.5%	\$10.00	\$24.56
8	252 Pall Mall Street	B+	32,614	0.0%	\$10.00 - \$13.60	\$23.60
9	254 Pall Mall Street	B+	23,538	32.2%	\$10.00	\$26.10
10	256 Pall Mall Street	B+	24,336	7.8%	\$10.00	\$24.30
11	200 Queens Avenue	B	87,000	12.6%	\$11.00	\$24.33
12	495 Richmond Street	B	66,750	39.9%	\$11.00	\$23.43
Averages			104,849	21.0%	\$12.74	\$25.61

As of January 2023

Rental rates have remained fairly stable over the past several years, with limited movement across downtown rental rates. However, several properties and real estate agents are reporting that property owners are increasing the amount of tenant inducements that are offered to perspective tenants, with rental rates holding steady. There has been some upward movement among suburban office rental rates, with an increased demand outside of the downtown core.

Discussions were held with two major real estate brokerage firms who are active in the marketplace. Their feed back and input has been considered and confirms our assumptions. Some of the recent leases are confidential and cannot be published at the tenants and/or brokers request.

SUBURBAN OFFICE - MARKET RENTAL STUDY

The following rental study outlines commercial leases throughout the areas surrounding the Subject Property, which provide a good cross section of the marketplace. The following table substantiates the market rent selected at the Subject Property, which appear to be within current market levels.

MARKET RENTAL STUDY			
Address	Area (Sq. Ft.)	Rate/Sq. Ft.	Comments
Fanshawe Park Road, London	1,000 – 3,000	\$25 - \$35	- Net lease, long term lease - High profile location in northwest London
Fanshawe Park Road / Richmond Street, London	Various	\$40 - \$50	- Net lease, leases commenced in 2021/2022 - Office and retail leases - New construction
1701 Richmond Street, London	8,082	\$24.95	- Net lease, active listing - New construction office space, 2 nd floor
Hyde Park Road, London	2,000	\$31.00	- Net lease, 10 year term - Lease commenced in 2018 - New construction medical building
Southdale Road, London	Various	\$28 - \$30	- New lease, 10 year term - New construction medical office building
North Centre Road, London	Various	\$12.50 - \$18.00	- Multi tenant office building - Well maintained, good condition
Oxford Street West, London	4,000	\$21.00	- Net lease - Newer construction, single tenant building
1065 Valetta Street, London	4,000	\$26.00	- Net lease, active listing - To be built office building - Suburban location
1555 Glenora Drive, London	957	\$26.00	- Net lease, active listing - Multi tenant office building, older construction
735 Fanshawe Park Road West, London	3,000	\$29.50	- Net lease, active listing - Retail / office space - Multi tenant plaza
Wharncliffe Road North, London	Various	\$12.00 - \$25.00	- Net leases - Older construction office building
Kilally Road, London	2,000	\$24.00	- Net lease, medical office space - multi tenant retail plaza
1550 Highbury Avenue North, London	Various	\$24.00	- Net leases - two storey medical office building

LUXURY RESIDENTIAL - MARKET RENTAL STUDY

The following rental study outlines residential leases throughout the areas surrounding the Subject Property, which provide a good cross section of the marketplace. The following table substantiates the contract rents and market rents selected at the Subject Property, which appear to be within current market levels.

MARKET RENTAL STUDY			
Address	Area (Sq. Ft.)	Rate/Month	Comments
1705 Fiddlehead Place, Unit #201	1,515	\$2,900	- 2 bedrooms, 2 bathrooms - Leased November 2022 - Mid rise, new construction apartment building
260 Villagewalk Boulevard, London	1,403	\$2,650	- 2 bedrooms, 2 bathrooms - Leased November 2022 - new construction, high rise apartment building
460 Callaway Road, Unit #809	1,435	\$2,500	- 2 bedrooms, 2 bathrooms - Leased December 2022 - New construction, high rise apartment building
240 Villagewalk Boulevard, Unit #812	1,512	\$2,700	- 2 bedrooms, 2 bathrooms - Leased September 2022 - New construction, high rise apartment building
240 Villagewalk Boulevard, Unit #910	1,761	\$2,900	- 2 bedrooms, 2 bathrooms - Leased September 2022 - New construction, high rise apartment building
695 Richmond Street, Unit #1605	1,322	\$2,500	- 2 bedrooms, 2 bathrooms - Leased August 2022 - Older construction, high rise apartment building

London's Office Market - Quarter 3 – 2022

According to the 'CBRE Limited's' Market View 3rd Quarter 2022 Report London's Office Market vacancy rate has decreased to 25.3% in the downtown core and 21.2% overall. Suburban office vacancy levels are at a reported 9.3%. There is some indication that companies are choosing to relocate from the downtown core into the suburban market, with slight increase in demand for the suburban office market. There has been a slight increase in downtown leasing, with a slight decrease in net asking rents as well, to \$13.42 per square foot. Net asking rents for suburban office space has been fairly level, averaging \$12.91 per square foot. There is a strong demand for suburban office space, most notably in the north and west sectors of the city.

FIGURE 3: Historical Rental Rates (\$PSF)



Source: CBRE Research, Q3 2022.

FIGURE 4: Q3 2022 Office Market Statistics

Submarket	Inventory (SF)	Vacancy Rate (%)	Under Construction (SF)	Quarterly Net Absorption (SF)	Avg. Net Asking Lease Rate (\$PSF)
Core	4,766,661	25.3%	0	31,522	\$13.42
Suburban	1,605,465	9.3%	0	-4,543	\$12.91
London Total	6,372,126	21.2%	0	26,979	\$13.36

CBRE – Q4 – 2022: INVESTMENT TRENDS

Q4 2022 Cap Rates

Downtown Office		△Q/Q	Multifamily	
AA	N/A		High Rise A	3.75% - 5.00% ▲
A	6.75% - 8.00%	◀▶	High Rise B	4.00% - 5.25% ▲
B	7.50% - 8.75%	◀▶	Low Rise A	4.00% - 5.75% ▲
			Low Rise B	4.25% - 6.00% ▲
Suburban Office			Seniors Housing	
A	6.25% - 7.25%	◀▶	Independent/Assisted Living A	6.25% - 6.75% ▲
B	6.50% - 8.00%	◀▶	Independent/Assisted Living B	7.50% - 8.25% ▲
Industrial			Long Term Care A	
A	5.50% - 6.25%	▲		7.00% - 7.50% ◀▶
B	6.00% - 7.00%	▲		
Retail			Hotel	
Regional	6.25% - 7.00%	◀▶	Downtown Full Service	8.00% - 9.25% ▲
Power	6.25% - 7.00%	◀▶	Suburban Limited Service	9.00% - 9.75% ▲
Neighbourhood	6.00% - 7.50%	◀▶	Focused Service	8.50% - 9.25% ▲
Strip	5.50% - 6.75%	▲		
Strip (non-anchored)	5.75% - 7.25%	◀▶		
Urban Streetfront	7.00% - 8.50%	◀▶		
High Street	N/A			

Historical London Cap Rates



Operating Expenses

Vacancy and Collection Loss

During the investment cycle, most properties will experience a loss in their potential income due to vacancy or collection problems. The calculation of this aspect of the stabilized operating statement takes into consideration published market reports, a general review of the immediate Subject area, or the market in which it competes and the past operating history of the Subject investment.

After carefully considering all available information, it is the appraiser's opinion that a vacancy and collection loss of 2.0% is applicable on a stabilized basis.

Insurance

As per our stabilized projection, the landlord is responsible for the residential portion of the building insurance. The building insurance has been stabilized at [REDACTED] per annum.

Realty Taxes

The property owner is responsible for the residential portion of the property taxes, which have been reported to be [REDACTED] per annum, as per the City of London. The commercial tenants pay their proportionate share of the property taxes.

Utilities

All of the tenants (commercial and residential) pay 100% of the buildings/units utilities.

Maintenance and Repairs

This item takes into account common area and structural repair, exterior maintenance and mechanical repair/replacement, where applicable, which may not be the responsibility of the tenant. This does not take into account replacement of building components which are considered a capital cost and not an expense. Based on the age and condition of the improvements and the level of current maintenance, a stabilized annual rate of [REDACTED] was considered to be reasonable for the Subject Property.

Property Management

The amount included as a management fee has been based on normal market standards. A survey of property management companies suggests that on average these fees range from approximately 3.0% to a high of 6.0% for buildings which are in good overall condition and which do not have vacancy or maintenance problems. Therefore, an overall average rate of 2.5% of the Effective Gross Income (EGI) was utilized based on current competitive market rates for this type and size of building.

The stabilized income and expense summary for the Subject Property is shown below.

Stabilized Income and Expense Summary 1653 Richmond Street, London, ON		
24,209	Sq. Ft. of Total Building Area	
<u>INCOME</u>		Per Annum Per Sq. Ft.
Main Floor - Medical Clinic		
Main Floor - Pharmacy		
Residential Apartments		
Total Potential Gross Income		
Less: Vacancy & Collection Loss @	2.00%	
Effective Gross Income (EGI)		
<u>EXPENSES</u>		
Property Taxes - Residential		
Building Insurance - Residential		
Repairs & Maintenance - Residential		
Property Management, Misc., Structural	2.50%	
Total Expenses		
NET OPERATING INCOME (NOI)		

Capitalization

This is the process of converting into a Present Worth a series of anticipated future annual instalments of income. The formula is as follows:

$$V = \frac{I}{R_o} \quad \text{In Which:} \quad \begin{array}{l} I = \text{Annual Income} \\ R_o = \text{Overall Composite Rate} \\ V = \text{Value} \end{array}$$

Investors purchasing properties similar to the Subject Property tend to be seeking returns above the average, with the ultimate rate usually dependent upon the age and conditions of the improvements, its location, liquidity and the positive or negative leverage which results from financing, as well as the availability of competitive investments.

Ideally, the capitalization rate would be derived from actual market sales of similar properties. This requires a number of comparable property sales and a knowledge of the income and expenses as well as the debt service and equity capital positions. There is sufficient sales data of properties similar to the Subject Property wherein a range of capitalization rates can be found below. This study revealed overall capitalization rates typically in the range of 3.0% to 5.3% for similar types of investment real estate. Projects similar to the Subject are almost always purchased with borrowed funds. Consequently, it follows that the availability and terms of borrowed capital will have an influence upon the value of the real estate.

It should be noted that there was limited investment information available in the immediate area of the Subject Property. Therefore, the appraiser expanded the search area to include sufficient market evidence of investor requirements.

There has been a lack of recent investment sales, as there remains a gap between vendors and purchasers expectations in the current marketplace. The recent interest rate hikes are the primary cause for this situation. The increasing cost of financing is expected to lead to an increase in capitalization rates.

	Overall Capitalization Rate
Low	3.0%
High	5.3%

Selection of Capitalization Rates

The selection of the most appropriate discount rate or capitalization rate is a process whereby the characteristics of the property being valued are ranked against the investment features of comparable properties in the marketplace which have transacted at known rates of return. The salient investment features of the Subject Property are also interpreted in light of the prevailing rate structure which the investment community would use in pricing comparable investments.

The second area considered is the interest yields available to the investor through alternative investments. These rates are historically higher than those acceptable by the real estate investor due to the ability of real estate to shelter income from taxation. Bond rates have remained fairly constant while other rates have tended to fluctuate considerably. Investors generally follow the stable bond rates as opposed to the more volatile short term rates. Major variables associated with the most applicable rate for the Subject Property would include the following:

- The location of a property will have a positive or negative impact on the capitalization rate and the end value of the Subject Property. The Subject Property is located on Richmond Street, being a very good area of north London. The location of the Subject Property is considered to be very good. The location on a provincial basis would be considered very good. London is a stable market with good demand for this type of product.
- The security and stability of the income will obviously impact value. As of the effective date of this report, the main floor was owner occupied, with the apartments being fully leased.
- The on site parking is a strong positive, with above grade and below grade.
- The physical condition of the improvements, which takes into consideration age and maintenance, is a significant variable. The improvements at the Subject Property were considered to be in good to very good overall condition, being of newer construction.
- Time, with regard to the date of a transaction is an important consideration. This is often associated with the market and can move from an over-supplied market to an under supplied situation which will impact pricing. The impact can be felt throughout the various units of comparison including rental rates, mortgage rates and risk rates. It was concluded, based on the availability of product, the amount of market activity and discussion with participants in the market that the downward pressure being exerted on rates over the past year would appear to have stabilized with some upward movement anticipated primarily due to the instability of financial markets and the upward movement in rates and the increased underwriting concerns by the lending community. There however, continues to be a generally strong commercial investment market.
- Interest rates have been increasing amongst lenders in recent months, in response to the Bank of Canada's benchmark interest rate increases. This rate was 4.25% as of December 7, 2022, which is a significant increase from its recent low of 0.25%. Conversations with several major banks reveal that typical commercial lending interest rates have increased significantly in recent months.

Taking all matters into consideration as well as its location and site area, it was concluded that the most applicable capitalization or discount rate for the Subject Property's net income before debt service, would be 4.50% to 5.00%. Our calculations are as follows:

DIRECT CAPITALIZATION OF NET OPERATING INCOME	
Estimated Net Operating Income	
Selected Capitalization Rates	
Indicated Capitalized Values	
Rounded Values	

CORRELATION AND FINAL ESTIMATE OF VALUE

The Direct Comparison Approach and Income Approach to Value were investigated resulting in the following indications of value:

VALUATION RANGE SUMMARY			
Direct Comparison Approach			
Income Approach			

The Direct Comparison Approach utilized an overall comparison of improved commercial building properties. All of the sales used in the report required some type of adjustment for time, site and building size, zoning, etc. The strength of this method of analysis is linked directly to the various adjustments. It is felt that site improvements all of the adjustments made are reasonable. It would be desirable to have a greater volume of more recent sales but such are not available, as a result of our extensive inquiries. Accordingly, the available sales data has been used and weighted allowances made in comparison to the Subject Property.

The economic information used in the Income Approach is primarily derived from our knowledge of the actions of investors and their required rate of return on capital employed. Therefore, the actions of typical investors and their market demand can be interpreted for utilization in the economic analysis of the Subject Property. The historic findings can then be tempered by current investment yields, trends and mortgage interest rates that are kept on file in our office. The economic analysis in the Income Approach involved the 'Direct Method' with capitalization rates derived from market sales. It provides a range of investment criteria that translates to a value range by using the recognized capitalization process. The resulting values are considered to properly reflect a range in which a property would most likely sell if exposed for sale in an open market.

The estimate of current value assumes a marketing time of three (3) to nine (9) months which allows for required presentation to the market, a due diligence period and legal requirements. Given the nature of the Subject Property, this time frame would be considered reasonable under the market conditions of the current effective date. This marketing period is also predicated on the prerequisites to 'Market Value' as more fully defined elsewhere in this report.

Considering the data investigated and market conditions in general, the most probable single Current Market Value of the Leased Fee Interest of the Subject Property, as of January 11, 2023, is estimated to be:

NINE MILLION FIVE HUNDRED THOUSAND DOLLARS

Note to Reader: The valuation estimate above is subject to the Extraordinary Assumption(s) and Hypothetical Condition(s), see page 12.

This is a Narrative Appraisal Report prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). The report describes the method and approach to value in support of the conclusions and contains pertinent data gathered in our investigation of the market. The client acknowledges that the attached report is confidential and agrees not to disclose the information contained herein to a third party without the expressed authority of the undersigned.

Respectfully submitted,
VALCO CONSULTANTS INC.

Matt Telford, BA, AACI, P. App
AIC Member # 904290
(519) 667-9050, Extension 241
mtelford@valcoconsultants.com



APPRAISER'S CERTIFICATION

I hereby certify that to the best of our knowledge and belief:

- the statements and opinions contained in this appraisal report are true and correct;
- that I personally inspected the Subject Property as described in this report, located at 1653 Richmond Street, London, Ontario on January 11, 2023, and investigated the information and data contained in this report;
- I have no present or prospective interest in the property being appraised and I have no personal interest or bias with respect to the parties involved. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event;
- the reported analyses, opinions and conclusions, limited only by the reported assumptions and limiting conditions (Addenda) and are my personal, unbiased, professional analyses, opinions and conclusions;
- my analyses, opinions and conclusions developed within this report have been prepared in conformity with the requirements of the Code of Professional ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada;
- the Appraisal Institute of Canada has a mandatory continuing Professional Development Program, which I have fulfilled the requirements for;
- that it is my opinion that, as of January 11, 2023, the Current Market Value of the Leased Fee Interest of the Subject Property is estimated to be:

NINE MILLION FIVE HUNDRED THOUSAND DOLLARS

Note to Reader: The valuation estimate above is subject to the Extraordinary Assumption(s) and Hypothetical Condition(s), see page 12.

This is a Narrative Appraisal Report prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). The report describes the method and approach to value in support of the conclusions and contains pertinent data gathered in our investigation of the market. The client acknowledges that the attached report is confidential and agrees not to disclose the information contained herein to a third party without the expressed authority of the undersigned.

Dated January 25, 2023, in London, Ontario

Respectfully submitted,
VALCO CONSULTANTS INC.


Matt Telford, BA, AACI, P. App
AIC Member # 904290
(519) 667-9050, Extension 241
mtelford@valcoconsultants.com

ADDENDA

Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability
Resume of Qualifications

ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighboring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

8. The author is not qualified to comment on detrimental conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to: moulds or mildews or the conditions that might give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any detrimental condition, past, present or future, that might affect the market value of the property appraised. If a party relying on this report requires information about detrimental conditions, that party is cautioned to retain an expert qualified in such issues. The author expressly denies any legal liability relating to the effect of detrimental conditions on the market value of the subject property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term “inspection” refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author’s privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
16. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower’s demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

RESUME OF QUALIFICATIONS
MATTHEW TELFORD, BA, AACI, P.App

EDUCATION & PROFESSIONAL DESIGNATIONS

- AACI Accredited Appraiser Canadian Institute
- P.App Professional Member of the Appraisal Institute of Canada
- BA Bachelor of Arts Degree: M.I.T. – University of Western Ontario
- Pg. D. Post Graduate Diploma: Human Resources Management – Sheridan College

MEMBERSHIPS & ASSOCIATIONS

AIC Appraisal Institute of Canada (AIC)
 AACI Accredited Appraiser Canadian Institute
 O.E.A. Ontario Expropriation Association, member through Valco Consultants Inc.

AIC – London Chapter

- Member of the Executive Committee

EDUCATION & EXPERIENCE HISTORY

2015 to Present	Partner/Real estate appraiser with Valco Consultants Inc.
2005 to 2014	Real estate appraiser with Valco Consultants Inc.
2006 to 2012	University of British Columbia, AIC Education Program.
2003 to 2004	English teacher in South Korea, with ECC Changwon.
2002 to 2003	Human Resources Management – Post Graduate Diploma – Sheridan College.
1998 to 2001	BA, M.I.T. – University of Western Ontario.

AREAS OF PRACTICE

INDUSTRIAL BUILDINGS

Within this category, buildings ranging in size from 1,000 to 700,000+ square feet have been analyzed. These single and multi-tenant structures were occupied by a wide range of occupants including general manufacturing, warehousing and automotive related manufacturing.

RETAIL BUILDINGS

Valuations within this segment of the market have included newly built/to be built retail developments, older core area and neighbourhood mixed-use structures, retail strip malls and single-tenant structures.

OFFICE BUILDINGS

Reports have been completed on existing single-storey owner-occupied buildings as well as high-rise, single and multi-tenant structures in the core area of various municipalities as well as suburban structures. Unusual situations have included buildings developed on leased land or constructed with a head lease agreement for the entire structure.

MULTI-FAMILY RESIDENTIAL BUILDINGS

Projects ranging in size from 3 to 180 units have been valued, including those with a mixture of unit types including lower level retail or office accommodation.

VACANT LAND

This would include residential sites available for single family dwellings, townhouse or apartment buildings. Industrial sites and sites available for construction of a wide range of retail, office or commercial developments.

SPECIAL USE PROPERTIES

These would include public and private golf courses, fast food restaurants, service stations, car washes, mini-storage warehousing, car dealerships, owner-occupied and lease-back arrangements, restaurants, motels, hotels taverns, schools and churches.

APPENDIX I

Court Appointed Receivership of
Richmond Medical Centre Inc. and I Lov This Place 11 Inc.
Statement of Receipts and Disbursements
For the period ended August 15, 2024

Receipts		Notes
Rental Income	422,538	
Interest	5,860	
Total Receipts	428,398	
Disbursements		
Insurance	85,153	1
Utilities	42,407	
Property Management	36,007	
Repairs and maintenance	36,312	
Appraisal fees	6,040	
Credit check fees	140	
Redirection of mail	272	
Receivership filing fee	73	
Net HST	12,742	2
Total disbursements	219,145	
Professional Fees		
Receiver Fees	37,989	3
Legal fees	47,689	
Total Professional Fees	85,678	
Net receipts to August 15, 2024	123,575	

Notes:

1) Insurance premiums for the Richmond Street Property for the year ended June 30 , 2025, amounting to \$36,905.76, have been paid in full. The Receiver will terminate the policy on closing of the sale and seek a refund of the unused premiums.

2) The Receiver has opened an HST account to report all HST collected and paid through the receivership and will seek a refund of net HST paid.

3) Does not include \$95,000 in fees approved by the Court. We are holding payment of this invoice to make sure we have available cashflow

APPENDIX J

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

-and-

RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.

Respondents


**AFFIDAVIT OF ROB SMITH
(August 26, 2024)**

I, Rob Smith, of the city of London, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and Licensed Insolvency Trustee at MNP Ltd. (“MNP”) and, as such, I have knowledge of the matters to which I hereinafter depose.
2. MNP was appointed as receiver (the “Receiver”), without security, of the assets, undertakings and properties of Richmond Medical Centre Inc. and I Lov This Place 11 Inc. by the Ontario Superior Court of Justice on December 9, 2022.
3. The Receiver has prepared one Statement of Account in connection with its appointment as Receiver since its Second Report to the Court, detailing its services rendered and disbursements. The invoice is dated August 23, 2024 for the period November 1, 2023 through August 16, 2024 in the amount of \$90,000 plus HST. Attached hereto and marked as Exhibit “A” to this my Affidavit, is a copy of the Statement of Account. The average hourly rate is \$451.13.
4. To the best of my knowledge the rates charged by MNP in connection with the within matter are comparable to the rates charges by other insolvency professionals in the Southwestern Ontario market for the provision of similar services.

5. This Affidavit is made in support of a motion to, inter alia, approve the fees and disbursements of the Receiver.

SWORN before me at the City of)
 London, in the Province of Ontario)
 This 26th day of August 2024)



 Melanie Fuller, Commissioner of Oaths)
 For the Province of Ontario)
 MNP Ltd.)
 Expires March 20, 2025)



Rob Smith

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ROB SMITH

Sworn before me

This 26th Day of August 2024

A handwritten signature in black ink, appearing to read 'M. Fuller', is written over a horizontal line.

Melanie Fuller, Commissioner of Oaths

For the Province of Ontario

MNP Ltd.

Expires March 20, 2025

Invoice



Invoice Number : 0

Client Number : 0975827

Invoice Date : Aug 23 2024

Invoice Terms : Due Upon Receipt

Richmond Medical Centre Inc.
201-557 Southdale Rd E
London, ON N6E 1A2

For Professional Services Rendered :

Interim invoice for professional services rendered in our capacity as Court Appointed Receiver of Richmond Medical Centre Inc. and I Lov This Place 11 Inc. for the period November 1, 2023 to August 16, 2024, as detailed on the attached WIP Report. 92,465.20

Less: Discretionary discount -2,465.20

Sub Total : 90,000.00

Harmonized Sales Tax : 11,700.00

Total (CAD) : 101,700.00

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
557 SOUTHDAL RD E, SUITE 201; LONDON ON; N6E 1A2
P: (519) 964-2200 F: (519) 964-2210 www.MNP.ca

Receivership of Richmond Medical Centre Inc. and I Lov This Place 11 Inc.
MNP WIP Report
Fore the period November 1, 2023 to August 16, 2024

Date	Description	Units	Amount	Notes
07-Nov-2023	Anne Nelligan	0.20	41.20	cheques
07-Nov-2023	Anne Nelligan	0.30	61.80	banking
07-Nov-2023	Anne Nelligan	0.20	41.20	cheque
09-Nov-2023	Anne Nelligan	0.10	20.60	correction on receipts
21-Nov-2023	Anne Nelligan	0.20	41.20	cheques
22-Nov-2023	Anne Nelligan	0.40	82.40	checking the MT invoices and cheque rec's
27-Nov-2023	Anne Nelligan	0.10	20.60	cheques
04-Dec-2023	Anne Nelligan	0.20	41.20	cheques
05-Dec-2023	Anne Nelligan	0.30	61.80	banking
08-Dec-2023	Anne Nelligan	0.20	41.20	cheques
11-Dec-2023	Anne Nelligan	0.20	41.20	cheques
18-Dec-2023	Anne Nelligan	0.20	41.20	cheques
18-Dec-2023	Anne Nelligan	0.20	41.20	saving documents
22-Dec-2023	Anne Nelligan	0.20	41.20	banking
22-Dec-2023	Anne Nelligan	0.20	41.20	posting
02-Jan-2024	Anne Nelligan	0.20	41.20	banking
05-Jan-2024	Anne Nelligan	0.20	41.20	cheque
08-Jan-2024	Anne Nelligan	0.20	41.20	cheque
08-Jan-2024	Anne Nelligan	0.20	41.20	banking
15-Jan-2024	Anne Nelligan	0.20	41.20	cheques
23-Jan-2024	Anne Nelligan	0.10	20.60	cheque
30-Jan-2024	Anne Nelligan	0.20	41.20	cheques
06-Feb-2024	Anne Nelligan	0.20	41.20	cheques
06-Feb-2024	Anne Nelligan	0.20	41.20	banking
13-Feb-2024	Anne Nelligan	0.20	41.20	banking
15-Feb-2024	Anne Nelligan	0.30	61.80	cheques
22-Feb-2024	Anne Nelligan	0.20	41.20	saving banking documents
27-Feb-2024	Anne Nelligan	0.20	41.20	cheques
27-Feb-2024	Anne Nelligan	0.10	20.60	banking
29-Feb-2024	Anne Nelligan	0.20	41.20	return funds
04-Mar-2024	Anne Nelligan	0.20	41.20	banking
05-Mar-2024	Anne Nelligan	0.30	61.80	cheques
11-Mar-2024	Anne Nelligan	0.30	61.80	cheques
12-Mar-2024	Anne Nelligan	0.20	41.20	banking
14-Mar-2024	Anne Nelligan	0.20	41.20	cheques
26-Mar-2024	Anne Nelligan	0.20	41.20	cheques
28-Mar-2024	Anne Nelligan	0.10	20.60	banking
01-Apr-2024	Anne Nelligan	0.20	41.20	cheques
02-Apr-2024	Anne Nelligan	0.20	41.20	banking
02-Apr-2024	Anne Nelligan	0.30	61.80	cheques
19-Apr-2024	Anne Nelligan	0.20	41.20	saving banking documents
26-Apr-2024	Anne Nelligan	0.10	20.60	payment
29-Apr-2024	Anne Nelligan	0.20	41.20	cheques
03-May-2024	Anne Nelligan	0.30	61.80	cheques
07-May-2024	Anne Nelligan	0.20	41.20	cheques
09-May-2024	Anne Nelligan	0.20	41.20	banking
13-May-2024	Anne Nelligan	0.20	41.20	cheques
14-May-2024	Anne Nelligan	0.20	41.20	checking cheques
14-May-2024	Anne Nelligan	0.20	41.20	saving banking documents

Date	Description	Units	Amount	Notes
21-May-2024	Anne Nelligan	0.30	61.80	cheques
29-May-2024	Anne Nelligan	0.20	41.20	payment
29-May-2024	Anne Nelligan	0.20	41.20	cheques
04-Jun-2024	Anne Nelligan	0.20	42.80	banking
04-Jun-2024	Anne Nelligan	0.20	42.80	cheques
18-Jun-2024	Anne Nelligan	0.20	42.80	banking
25-Jun-2024	Anne Nelligan	0.20	42.80	cheque
25-Jun-2024	Anne Nelligan	0.10	21.40	banking
25-Jun-2024	Anne Nelligan	0.20	42.80	cheques
02-Jul-2024	Anne Nelligan	0.20	42.80	banking
02-Jul-2024	Anne Nelligan	0.20	42.80	cheques
02-Jul-2024	Anne Nelligan	0.20	42.80	cheques
02-Jul-2024	Anne Nelligan	0.10	21.40	payment
04-Jul-2024	Anne Nelligan	0.20	42.80	cheques
10-Jul-2024	Anne Nelligan	0.10	21.40	cheque verification
11-Jul-2024	Anne Nelligan	0.20	42.80	banking
22-Jul-2024	Anne Nelligan	0.20	42.80	cheques
25-Jul-2024	Anne Nelligan	0.20	42.80	saving documents
26-Jul-2024	Anne Nelligan	0.20	42.80	rent payment
31-Jul-2024	Anne Nelligan	0.20	42.80	cheques
07-Aug-2024	Anne Nelligan	0.10	21.40	cheques
09-Aug-2024	Anne Nelligan	0.20	42.80	banking
13-Aug-2024	Anne Nelligan	0.20	42.80	banking
		14.40	2,995.20	
01-Nov-2023	Brendan Hinton	1.00	485.00	Review emails from Larlyn and provide direction. Direction to P. Williams re: service providers.
03-Nov-2023	Brendan Hinton	0.20	97.00	Emails with D. McGregor re: key deposits.
06-Nov-2023	Brendan Hinton	1.00	485.00	Review lease and utility summary. Update with changes. F/u on payment from 202.
07-Nov-2023	Brendan Hinton	1.50	727.50	Review emails from R. Smith and insurer re: water damage. F/u with Larlyn. Emails with D. McGregor re: key deposit. F/u and address Larlyn questions. Review emails to locate purported email from L. Jackson with membrane quote. Email Larlyn with direction. Deal with banking.
09-Nov-2023	Brendan Hinton	1.50	727.50	Review marketing materials from Colliers. Respond with corrections. Review file to sort out status of development charges. Contact city to discuss. Draft letter and f/u.
13-Nov-2023	Brendan Hinton	1.00	485.00	Emails with Larlyn re: invoicing. Emails with B. Jackson re: internet and service lines.
14-Nov-2023	Brendan Hinton	1.00	485.00	Review emails from Larlyn. Update lease schedule and R&D.
16-Nov-2023	Brendan Hinton	0.50	242.50	Review draft report. Emails with Larlyn.
20-Nov-2023	Brendan Hinton	1.00	485.00	Review Larlyn's invoices and update payment tracker. Review application for unit 202. Write Larlyn with f/u questions.
21-Nov-2023	Brendan Hinton	1.50	727.50	Review Larlyn invoices. Address discrepancies with accounting. F/u on balcony repairs and quotes. Review application for 202.
22-Nov-2023	Brendan Hinton	0.50	242.50	Review Larlyn invoices and email management to address discrepancies.
24-Nov-2023	Brendan Hinton	1.00	485.00	Calls and email with City re: \$12k development/security charge. Emails with Larlyn to sort out Delta issue. F/u and address snowplowing quote. Address discrepancies with Larlyn invoices.
27-Nov-2023	Brendan Hinton	1.50	727.50	Respond to Larlyn and seek update on balcony. Review emails from City re: letters of credit. Email L. Jackson. F/u and address questions. Review materials on Somerdyk and f/u with L. Jackson.
28-Nov-2023	Brendan Hinton	0.60	291.00	Emails with Delta to sort out billing and service. Emails with Larlyn re: balcony. Email with Colliers with update,
29-Nov-2023	Brendan Hinton	0.50	242.50	Review and reconcile Larlyn invoices. Emails to C. Munroe. Respond to questions. F.u on snow plow quotes.
01-Dec-2023	Brendan Hinton	0.20	97.00	Deal with Larlyn invoices. Direction to P. Williams.
06-Dec-2023	Brendan Hinton	1.50	727.50	Review insurance information from R. Smith. Review company information and appraisal. Prepare insurance survey. Prepare email to FCA. Deal with banking. Update lease summary.
07-Dec-2023	Brendan Hinton	1.50	727.50	Emails with Larlyn re: elevator phone service and resolution. Consider options. Email Larlyn and P. Williams with plan. Reconcile Larlyn's account.
08-Dec-2023	Brendan Hinton	0.60	291.00	Respond to P. Williams email with direction. Email Larlyn.
11-Dec-2023	Brendan Hinton	0.50	242.50	F/u with Larlyn for update on multiple items. Email M. Holmes. Draft email to C. Munro. Review invoices.
12-Dec-2023	Brendan Hinton	1.00	485.00	Review invoices from Larlyn and reconcile. Respond to R. Lee. Call with M. Holmes to discuss issues and seek update.
13-Dec-2023	Brendan Hinton	1.00	485.00	Review emails from Larlyn. Consider recommendations and options. F/u with additional questions. Email to R. Smith with recommendation and direction.

Date	Description	Units	Amount	Notes
14-Dec-2023	Brendan Hinton	1.00	485.00	Email from R. Smith re; marketing strategy. F/u with Larlyn. Emails with Larlyn and recommendation. Respond to R. Smith. Revise lease summary. Archive information.
15-Dec-2023	Brendan Hinton	1.00	485.00	Emails with Larlyn to address elevator. Consider issue and provide direction to address same.
18-Dec-2023	Brendan Hinton	2.60	1,261.00	Deal with questions from P. Williams re: Bell. F/u with Bell. Review lease offer and prepare for call with Colliers. Join conference call and discuss lease agreement. F/u and address outstanding information requests and planning. Review multiple emails from Larlyn re: Bell and invoices. Provide direction to P. Williams.
19-Dec-2023	Brendan Hinton	2.50	1,212.50	Call in AM with Dimensions. Consider options. Review proposal and f/u with D. Van Haaren. Review plow contract. Email questions to Larlyn. Deal with Bell and emergency service lines.
20-Dec-2023	Brendan Hinton	1.50	727.50	Deal with Bell in AM. Prepare file note. Direction to P. Williams. F/u and address questions. Review Collier estimate of additional rent and email direction to P. Williams.
21-Dec-2023	Brendan Hinton	2.50	1,212.50	Call in AM to go over LOI lease amendments. Emails with Larlyn re: balcony issue. Review P. Williams work on additional rent calculation. Normalize certain expenses. Draft changes. Draft email to Colliers. Respond to questions. Deal with Bell and fire monitoring. Deal with banking. Address concerns about Larlyn's performance. Review plow contract and address with Larlyn.
22-Dec-2023	Brendan Hinton	0.50	242.50	Review area certification report.
22-Dec-2023	Brendan Hinton	0.60	291.00	Deal with utilities. Emails with Larlyn re: plow contract. F/u and address P. Williams questions. Planning for holidays.
27-Dec-2023	Brendan Hinton	1.50	727.50	Review emails from Larlyn. Revisions to plow contract. Email Larlyn.
28-Dec-2023	Brendan Hinton	1.00	485.00	Review results of Dimension certified floor assessment. Consider implications on estimate of additional rent.
29-Dec-2023	Brendan Hinton	0.50	242.50	Review banking and lease summary and f/u on delinquent rent payments.
02-Jan-2024	Brendan Hinton	1.00	485.00	Emails with A. Nelligan and Larlyn re: collection of rent. Review and reconcile Larlyn invoices. F/u on outstanding issues.
03-Jan-2024	Brendan Hinton	0.50	242.50	Emails with Larlyn re: rent.
04-Jan-2024	Brendan Hinton	0.50	242.50	Emails with Larlyn.
05-Jan-2024	Brendan Hinton	1.50	727.50	Review P. Williams work and provide comment on deficiencies and suggestions to deal with banking/payment processing. Prepare payment summaries. Emails P. Williams. Emails from Larlyn. Deal with banking.
09-Jan-2024	Brendan Hinton	1.00	485.00	Review lease summary. Respond to Larlyn re: applicants for apartment. Review info re: balcony repair and respond with direction.
10-Jan-2024	Brendan Hinton	0.50	242.50	Emails from Larlyn. Update lease summary. Deal with banking.
11-Jan-2024	Brendan Hinton	0.60	291.00	Emails with Larlyn re: unit 303 and utilities. Review tenant application. Respond to Larlyn with questions.
12-Jan-2024	Brendan Hinton	1.00	485.00	Review email from Larlyn re: damaged tiles. F/u and address applications for units. Respond to questions. Call with R. Smith to discuss motion.
15-Jan-2024	Brendan Hinton	1.00	485.00	Review proposed tenant lease. Make revisions. Email realtor. Respond to questions.
16-Jan-2024	Brendan Hinton	1.20	582.00	Review quote from Larlyn, consider cost and respond with email and information request. Call with R. Smith to discuss. File notes.
17-Jan-2024	Brendan Hinton	1.50	727.50	Multiple emails with Larlyn re: balconies. Consider responses. Draft email. Call with R. Smith. Planning. Draft email to L. Jackson.
18-Jan-2024	Brendan Hinton	1.80	873.00	Emails from L. Holmes. F/u and address with questions. Review building drawings. Emails with L. Jackson. Call with engineer. Consider issues and draft comprehensive email.
24-Jan-2024	Brendan Hinton	0.30	145.50	Review Larlyn invoices and emails from C. Munro.
25-Jan-2024	Brendan Hinton	0.50	242.50	Respond to realtor information request.
29-Jan-2024	Brendan Hinton	1.80	873.00	Review application and lease for 202. Address discrepancies with Larlyn. Respond to questions. Review invoices and write Larlyn with questions about discrepancies. Address balcony issue.
30-Jan-2024	Brendan Hinton	2.50	1,212.50	Consider questions and emails from Larlyn and respond. Respond to engineer. Review lease. Note deficiencies. Write Larlyn. F/u and address other questions. Deal with Larlyn invoicing. Amend rent roll. Deal with banking.
31-Jan-2024	Brendan Hinton	2.10	1,018.50	Emails from Larlyn. Consider response and draft comprehensive note to address issues. Review revised lease. Emails with Larlyn for direction.
01-Feb-2024	Brendan Hinton	3.10	1,503.50	Call with Elevate Architects and prepare comprehensive memo. Compile attachments for Elevate's records. Draft email. Prepare summary of rent receipts and direction for A. Nelligan.
05-Feb-2024	Brendan Hinton	2.00	970.00	Review emails from Larlyn and address multiple discrepancies and issues. Consider quotes and f/u with questions. Review rent roll and cheques. F/u with Larlyn to address missing cheques they failed to collect. Emails with R. Smith re: engineer proposal. Update lease summary. Emails with A. Nelligan. Review Larlyn account to address their reconciling error.
06-Feb-2024	Brendan Hinton	1.50	727.50	Emails with Larlyn re: tenants and status of rents. F/u and seek clarity about scope of engineer's engagement. Respond to questions. F/u with Elevate.
07-Feb-2024	Brendan Hinton	0.50	242.50	Emails with Larlyn. Address delinquent rent payments.
08-Feb-2024	Brendan Hinton	1.70	824.50	Emails with Larlyn to address balcony and expanding the scope of Co-Elevate's engagement. Consider Larlyn's response and address flaws in recommendation/strategy. Emails with L. Holmes. F/u with email to Co-Elevate.
09-Feb-2024	Brendan Hinton	1.00	485.00	Consider response from Co-Elevate. Call and discussion with B. Fick to sort out expanded scope and clarify we are not soliciting proposals to write new plans. Consider strategy to deal with issue and contact SRM architects F/u with email to Co-Elevate.
13-Feb-2024	Brendan Hinton	1.50	727.50	Respond to Larlyn emails. F/u with SRM. Review utility and vendor invoices. Reconcile accounts.
14-Feb-2024	Brendan Hinton	0.50	242.50	Review Larlyn invoices. Email to address tenant utility accounts.

Date	Description	Units	Amount	Notes
15-Feb-2024	Brendan Hinton	2.80	1,358.00	Call with SRM architects to address balcony issue. F/u conversation with comprehensive email with all information surrounding issue. Review file and source photos to allow R. Hicks to assess. Email realtor. Call with City of London to address tax sake threat.
16-Feb-2024	Brendan Hinton	1.00	485.00	Review P. Williams work on calculating unit 303 utilities. Review bills and amend schedules. Email to Larlyn. Review Larlyn invoices and update lease schedule.
20-Feb-2024	Brendan Hinton	1.50	727.50	Emails with Larlyn re: outstanding invoices. F/u and address questions. Planning for week away. F//u with SRM. Draft note introducing SRM to Larlyn.
22-Feb-2024	Brendan Hinton	0.50	242.50	Emails re: outstanding Larlyn Invoices. Provide P. Williams direction.
23-Feb-2024	Brendan Hinton	1.30	630.50	Call with architect and prepare update to R. Smith. Review emails from Larlyn. Deal with banking.
29-Feb-2024	Brendan Hinton	1.00	485.00	Review email from A. Nelligan and f/u with Larlyn re: bounced cheque. Direction to A. Nelligan. Review email from Larlyn and consider response. Draft reply.
01-Mar-2024	Brendan Hinton	2.10	1,018.50	Review multiple emails from team and Larlyn. Review invoicing and discrepancies with banking. Review realtor commission for rental and address discrepancy. Update lease schedule with notes. Emails internally. F/u and respond to Larlyn questions.
04-Mar-2024	Brendan Hinton	2.50	1,212.50	Review emails from Larlyn. Consider questions and f/u. Bankruptcy search on workers. F/u and address P. Williams questions. Changes to Lease Summary. Redo Larlyn requisition to correct errors. Planning with P. Williams and A. Nelligan.
08-Mar-2024	Brendan Hinton	1.50	727.50	Emails from Larlyn. Review SRM's report and discuss with R. Smith. Email SRM. Email Larlyn direction to obtain quotes. Deal with banking and payment processing. Emails with P. Williams and A. Nelligan re: rent.
13-Mar-2024	Brendan Hinton	1.00	485.00	Finalize lease offering for 302. Emails with Larlyn. Respond to P. Williams questions.
15-Mar-2024	Brendan Hinton	0.20	97.00	F/u on status of quote. Review emails from Larlyn.
18-Mar-2024	Brendan Hinton	0.30	145.50	Respond to Larlyn questions and provide direction.
19-Mar-2024	Brendan Hinton	0.60	291.00	Review email from Larlyn re: elevator, consider options and respond.
20-Mar-2024	Brendan Hinton	1.00	485.00	Review emails from Larlyn, consider questions and draft response. Review invoicing.
22-Mar-2024	Brendan Hinton	0.60	291.00	Call with Bank of Nova Scotia to discuss interest.
28-Mar-2024	Brendan Hinton	0.40	194.00	Review email from Larlyn re: elevator. Review records and provide P. Williams direction re: TSSA certification.
01-Apr-2024	Brendan Hinton	0.80	388.00	Review Larlyn invoices and reconcile for P. Williams.
04-Apr-2024	Brendan Hinton	2.00	970.00	Review banking. Reconcile rents and deposits. Update rent roll. Emails with Larlyn to address missing information and deposits. Memo re: several tenants.
08-Apr-2024	Brendan Hinton	0.50	242.50	Review P. Williams work and deal with banking.
10-Apr-2024	Brendan Hinton	0.50	242.50	Emails with Larlyn re: status of engineer and quotes.
12-Apr-2024	Brendan Hinton	1.50	727.50	Review email update from Larlyn, consider issues and prepare detailed response.
15-Apr-2024	Brendan Hinton	1.00	485.00	Review email from Colliers, prepare information and respond. Begin drafting email to Larlyn re: Declare parking term in lease. Changes to lease summary.
16-Apr-2024	Brendan Hinton	1.00	485.00	Emails with Larlyn re: PAP and Declare.
19-Apr-2024	Brendan Hinton	0.10	48.50	Respond to Collier's questions.
22-Apr-2024	Brendan Hinton	2.60	1,261.00	Review EXP opinion, summarize, compare opinions, consider implications and draft comprehensive response. Review emails from Larlyn re: break-in and repairs. Consider issue and respond. Deal with banking.
24-Apr-2024	Brendan Hinton	3.00	1,455.00	Review response from Larlyn re: questions about balcony repair and f/u response with EXP. Address several issues identified in proposal/plan to solve issue. Draft response to Larlyn. F/u on lock replacement. Respond to realtor questions.
26-Apr-2024	Brendan Hinton	0.30	145.50	Deal with banking and update lease summary.
02-May-2024	Brendan Hinton	0.50	242.50	Review emails from Larlyn and respond. F/u for response to address questions on balcony and status. Review invoices. Process payments.
09-May-2024	Brendan Hinton	1.50	727.50	Review EXP proposal. Consider information request and summarize action plan. Consider issues and write Larlyn with additional questions and information requests.
13-May-2024	Brendan Hinton	1.10	533.50	Emails with Larlyn re: balcony addressing and criticizing basis of recommendation. Review emails re: locksmith. F/u and address questions. Revisions to rent roll.
14-May-2024	Brendan Hinton	0.60	291.00	Emails from Larlyn. Consider issues and provide direction. Deal with banking.
15-May-2024	Brendan Hinton	0.60	291.00	Review emails from Larlyn and engineers re: balconies.
22-May-2024	Brendan Hinton	0.60	291.00	Emails from Colliers and Larlyn. Review and provide direction.
23-May-2024	Brendan Hinton	0.60	291.00	Reconcile rent. Post Larlyn invoices. Deal with banking.
24-May-2024	Brendan Hinton	1.00	485.00	Call with R. Smith to discuss EXP proposal. Emails with Larlyn to respond to questions and provide direction. Review vendor invoices and process payments. Reconcile rent receipts. Deal with banking.
27-May-2024	Brendan Hinton	0.50	242.50	Reconcile vendor payments.
28-May-2024	Brendan Hinton	1.10	533.50	Revise lease schedule/ Review invoices from locksmith and email chain from Larlyn. Deal with vendor payments and payment processing.
03-Jun-2024	Brendan Hinton	0.50	252.50	Rent receipt reconciliation. Review Larlyn invoices. Update lease summary.
04-Jun-2024	Brendan Hinton	0.60	303.00	Review emails from Larlyn. Consider marketing strategy for residential units and f/u.

Date	Description	Units	Amount	Notes
06-Jun-2024	Brendan Hinton	0.50	252.50	Review rent roll and update with payment. Emails with Larlyn re: status of EXP work and marketing.
07-Jun-2024	Brendan Hinton	0.30	151.50	Update rent roll and lease summary.
11-Jun-2024	Brendan Hinton	0.50	252.50	Consider question re: realtor and provide direction.
17-Jun-2024	Brendan Hinton	0.50	252.50	Email with Colliers. Deal with Larlyn emails.
18-Jun-2024	Brendan Hinton	0.40	202.00	Review Larlyn invoices and respond with direction. Emails with Colliers.
25-Jun-2024	Brendan Hinton	0.60	303.00	Emails from Larlyn. Consider questions and provide direction.
02-Jul-2024	Brendan Hinton	0.50	252.50	Review invoices from Larlyn. Deal with banking.
03-Jul-2024	Brendan Hinton	0.40	202.00	Review rent collection and reconcile roll.
04-Jul-2024	Brendan Hinton	0.60	303.00	Reconcile rent roll. Deal with vendor payments and banking. Review Larlyn invoices.
09-Jul-2024	Brendan Hinton	0.30	151.50	Update rent roll.
11-Jul-2024	Brendan Hinton	1.50	757.50	Review EXP preliminary report. Review earlier emails to Larlyn to address baseless recommendation. Revise rent roll.
15-Jul-2024	Brendan Hinton	0.40	202.00	Email from Larlyn. Review account. Review invoices and prepare requisitions to process payments.
17-Jul-2024	Brendan Hinton	0.60	303.00	Deal with utilities. Emails to P. Williams and Larlyn with direction.
18-Jul-2024	Brendan Hinton	0.50	252.50	Emails with P. Williams with direction. F/u and address questions re: billing for unit 303.
29-Jul-2024	Brendan Hinton	1.50	757.50	Review report from EXP. Summarize findings. Consider issues and draft email to Larlyn. Review invoices and banking.
30-Jul-2024	Brendan Hinton	0.70	353.50	Email from Larlyn re: microwaves. Review email in June address same issue and bring it to Larlyn's attention. Provide direction.
01-Aug-2024	Brendan Hinton	1.00	505.00	Review communication from Dixon Commercial Collections. Draft email and call with Dixon. Review invoices from Larlyn. Update lease schedule. Review August payments.
06-Aug-2024	Brendan Hinton	0.20	101.00	Review emails from property manager.
07-Aug-2024	Brendan Hinton	0.20	101.00	Review emails from property manager.
08-Aug-2024	Brendan Hinton	0.20	101.00	Review emails from property manager.
09-Aug-2024	Brendan Hinton	0.20	101.00	Review emails from property manager.
12-Aug-2024	Brendan Hinton	1.50	757.50	Review rent roll. F/u on outstanding emails with Larlyn. Call with R. Smith re: sale and file planning. Emails with Larlyn. Review invoices. Deal with banking.
		120.80	58,872.00	
21-Dec-2023	Dayam Jawaid	0.30	91.80	Cheque recs
14-May-2024	Emeka Nwabugwu	0.10	30.60	Inputted cheque requests for invoice for Enbridge.
15-May-2024	Emeka Nwabugwu	0.10	30.60	Inputted London Hydro invoice 7748794
15-May-2024	Emeka Nwabugwu	0.10	30.60	Inputted Enbridge invoice 774830
17-May-2024	Emeka Nwabugwu	0.10	30.60	Inputted City of London invoice 231597.
29-May-2024	Emeka Nwabugwu	1.00	306.00	Filed HST returns from Jan 2023 - Mar 2024
02-Aug-2024	Emeka Nwabugwu	0.50	159.00	cheque requests
		1.90	587.40	
01-Nov-2023	Patricia Williams	0.20	41.20	Bell emails
02-Nov-2023	Patricia Williams	0.30	61.80	Filing, Bank reconciliations
03-Nov-2023	Patricia Williams	0.20	41.20	receiving cheque. Cheque request
06-Nov-2023	Patricia Williams	0.20	41.20	receiving rent cheque, filing
07-Nov-2023	Patricia Williams	0.10	20.60	Cheque request
08-Nov-2023	Patricia Williams	0.10	20.60	Filing
09-Nov-2023	Patricia Williams	0.30	61.80	Bank reconciliation
13-Nov-2023	Patricia Williams	0.20	41.20	Filing, Bell email
16-Nov-2023	Patricia Williams	0.20	41.20	Cheque request, filing
17-Nov-2023	Patricia Williams	0.20	41.20	Cheque request x 2
23-Nov-2023	Patricia Williams	0.20	41.20	Emails and calls re Delta Elevator
24-Nov-2023	Patricia Williams	0.10	20.60	Filing
30-Nov-2023	Patricia Williams	0.20	41.20	Filing, Cheque request
01-Dec-2023	Patricia Williams	0.60	123.60	receiving cheque, Cheque requests
06-Dec-2023	Patricia Williams	0.10	20.60	Bell issue
07-Dec-2023	Patricia Williams	0.60	123.60	Cheque request x 5, filing
08-Dec-2023	Patricia Williams	0.30	61.80	Bank reconciliation

Date	Description	Units	Amount	Notes
14-Dec-2023	Patricia Williams	0.10	20.60	Filing
18-Dec-2023	Patricia Williams	2.60	535.60	On phone with Bell sorting out emergency lines
19-Dec-2023	Patricia Williams	0.10	20.60	Filing
20-Dec-2023	Patricia Williams	2.00	412.00	Summary of monthly expenses for lease
21-Dec-2023	Patricia Williams	0.50	103.00	Cheque request x 5
22-Dec-2023	Patricia Williams	0.30	61.80	Cheque request, updating emerg # with London Hydro
04-Jan-2024	Patricia Williams	0.20	41.20	receiving cheque, filing
05-Jan-2024	Patricia Williams	0.30	61.80	Cheque requests
09-Jan-2024	Patricia Williams	0.30	61.80	Bank reconciliation
10-Jan-2024	Patricia Williams	0.20	41.20	Processing invoices
11-Jan-2024	Patricia Williams	0.20	41.20	Filing, Cheque request
15-Jan-2024	Patricia Williams	0.30	61.80	Updating sitecore
17-Jan-2024	Patricia Williams	0.10	20.60	Filing
18-Jan-2024	Patricia Williams	0.30	61.80	Enbridge billing issue, filing
19-Jan-2024	Patricia Williams	0.10	20.60	Cheque request
25-Jan-2024	Patricia Williams	0.10	20.60	Filing
26-Jan-2024	Patricia Williams	0.20	41.20	Cheque requests
01-Feb-2024	Patricia Williams	0.10	20.60	Filing
02-Feb-2024	Patricia Williams	0.50	103.00	Cheque requests
07-Feb-2024	Patricia Williams	0.30	61.80	Bank reconciliation
08-Feb-2024	Patricia Williams	0.10	20.60	Filing
12-Feb-2024	Patricia Williams	0.60	123.60	Cheque requests
13-Feb-2024	Patricia Williams	0.10	20.60	Cheque request
14-Feb-2024	Patricia Williams	0.10	20.60	Cheque request
15-Feb-2024	Patricia Williams	0.10	20.60	Filing
16-Feb-2024	Patricia Williams	0.60	123.60	Unit 303 utility summary
21-Feb-2024	Patricia Williams	0.10	20.60	Meter reading unit 301 to Enbridge
23-Feb-2024	Patricia Williams	0.20	41.20	Cheque request x 2
26-Feb-2024	Patricia Williams	0.10	20.60	Filing
04-Mar-2024	Patricia Williams	0.70	144.20	Cheque requests
05-Mar-2024	Patricia Williams	0.20	41.20	Cheque requests
07-Mar-2024	Patricia Williams	0.10	20.60	Filing
08-Mar-2024	Patricia Williams	0.60	123.60	Bank reconciliation, Cheque requests
13-Mar-2024	Patricia Williams	0.20	41.20	Cheque request
14-Mar-2024	Patricia Williams	0.10	20.60	Filing
15-Mar-2024	Patricia Williams	0.10	20.60	Filing
19-Mar-2024	Patricia Williams	0.30	61.80	Cheque requests
25-Mar-2024	Patricia Williams	0.10	20.60	Filing
28-Mar-2024	Patricia Williams	0.50	103.00	Filing, Cheque requests, investigate and change info with TSSA for elevator
01-Apr-2024	Patricia Williams	0.60	123.60	Cheque requests
02-Apr-2024	Patricia Williams	0.20	41.20	Cheque requests
03-Apr-2024	Patricia Williams	0.10	20.60	Filing
08-Apr-2024	Patricia Williams	0.30	61.80	Bank reconciliation
11-Apr-2024	Patricia Williams	0.10	20.60	Filing
06-May-2024	Patricia Williams	0.80	164.80	Cheque requests
09-May-2024	Patricia Williams	0.30	61.80	Bank reconciliation
15-May-2024	Patricia Williams	0.10	20.60	Cheque request
15-May-2024	Patricia Williams	0.10	20.60	Filing
17-May-2024	Patricia Williams	0.10	20.60	Filing
17-May-2024	Patricia Williams	0.10	20.60	Filing
23-May-2024	Patricia Williams	0.20	41.20	Filing, Cheque request
24-May-2024	Patricia Williams	0.10	20.60	Cheque request
31-May-2024	Patricia Williams	0.20	41.20	Filing, receiving rent

Date	Description	Units	Amount	Notes
04-Jun-2024	Patricia Williams	0.10	21.40	Cheque request
05-Jun-2024	Patricia Williams	0.20	42.80	Cheque request x 2
06-Jun-2024	Patricia Williams	0.10	21.40	Filing
12-Jun-2024	Patricia Williams	0.30	64.20	Bank reconciliation
13-Jun-2024	Patricia Williams	0.10	21.40	Filing
21-Jun-2024	Patricia Williams	0.10	21.40	Filing
24-Jun-2024	Patricia Williams	0.30	64.20	Cheque requests
27-Jun-2024	Patricia Williams	0.30	64.20	Cheque requests, filing
02-Jul-2024	Patricia Williams	0.30	64.20	Cheque requests
03-Jul-2024	Patricia Williams	0.10	21.40	Filing
04-Jul-2024	Patricia Williams	0.20	42.80	Filing, Cheque request
15-Jul-2024	Patricia Williams	0.30	64.20	Filing, Cheque requests x 2
16-Jul-2024	Patricia Williams	0.30	64.20	Bank reconciliation
17-Jul-2024	Patricia Williams	0.10	21.40	Call re utilities
18-Jul-2024	Patricia Williams	0.20	42.80	Cheque request & utility summary
25-Jul-2024	Patricia Williams	0.10	21.40	Filing
30-Jul-2024	Patricia Williams	0.20	42.80	Cheque requests
01-Aug-2024	Patricia Williams	0.10	21.40	Filing
13-Aug-2024	Patricia Williams	0.30	64.20	Cheque requests
14-Aug-2024	Patricia Williams	0.10	21.40	Filing
		24.90	5,159.80	
01-Nov-2023	Rob Smith	0.40	264.00	update email exchange with BNS; emails with Colliers
03-Nov-2023	Rob Smith	0.10	66.00	Sept bank reconciliation
03-Nov-2023	Rob Smith	0.10	66.00	respond to Neeraj Chopra with rent roll and lease info
06-Nov-2023	Rob Smith	0.20	132.00	review and sign lease listing agreement
07-Nov-2023	Rob Smith	0.30	198.00	respond to Cooperators email re insurance issues, call with T. Bernys (insurance agent)
10-Nov-2023	Rob Smith	0.10	66.00	October bank reconciliation
13-Nov-2023	Rob Smith	0.30	198.00	call from Colliers re price reduction and next steps
14-Nov-2023	Rob Smith	0.70	462.00	begin 2nd court report; email with Colliers re repairs required
16-Nov-2023	Rob Smith	0.20	132.00	work on Receiver's second report
16-Nov-2023	Rob Smith	3.60	2,376.00	finish draft of 2nd report
17-Nov-2023	Rob Smith	2.10	1,386.00	prepare confidential supplement to second report, email both reports to T. Van Klink
21-Nov-2023	Rob Smith	0.60	396.00	review LOI received from Yusani and email to BNS and counsels re same
22-Nov-2023	Rob Smith	0.30	198.00	call with L. Lansink (Colliers) re offer sign back strategy
23-Nov-2023	Rob Smith	0.40	264.00	review LOI sign back and APS, sign same, call with L. Lansink to discuss strategy; emails with Neeraj Chopra re offer
27-Nov-2023	Rob Smith	0.60	396.00	review counter offers from Yusani, emails with Colliers and sign counter, email from Yusani re price ceiling; email to BNS re final Yusani offer
28-Nov-2023	Rob Smith	0.30	198.00	estimate net BNS proceeds from latest Yusani offer
05-Dec-2023	Rob Smith	0.40	264.00	call with T. Zaja, email Colliers; email from insurance broker re rate increase, respond to same
07-Dec-2023	Rob Smith	0.30	198.00	call with Cooperators re insurance premium adjustment
11-Dec-2023	Rob Smith	1.00	660.00	finalize fee affidavit; finalize court reports; gather appendices
12-Dec-2023	Rob Smith	0.10	66.00	email court reports to T. Van Klink
12-Dec-2023	Rob Smith	1.00	660.00	meeting at RM with T. Zaja and Colliers
14-Dec-2023	Rob Smith	0.10	66.00	respond to N. Chopra email
15-Dec-2023	Rob Smith	0.70	462.00	review LOI for new tenant, emails with Colliers, email to BNS to advise
18-Dec-2023	Rob Smith	0.10	66.00	November bank reconciliation
18-Dec-2023	Rob Smith	0.60	396.00	call with Colliers and B. Hinton to review LOI for main floor
21-Dec-2023	Rob Smith	0.50	330.00	call with Colliers to review final lease sign back document
10-Jan-2024	Rob Smith	0.10	66.00	emails with T. Van Klink re L. Jackson; update call with Cian
12-Jan-2024	Rob Smith	0.60	396.00	attend motion to approve second report; December bank reconciliation
15-Jan-2024	Rob Smith	0.60	396.00	call with Colliers; emails with N. Chopra and C. McDonnell; sign price reduction form
17-Jan-2024	Rob Smith	0.30	198.00	call from prosp purchaser (D. Howard)
26-Jan-2024	Rob Smith	0.10	66.00	sign amended to listing agreement re square footage

Date	Description	Units	Amount	Notes
30-Jan-2024	Rob Smith	0.20	132.00	review Ghione offer, email to BNS to advise, update offer summary
05-Feb-2024	Rob Smith	0.30	198.00	email to BNS re engineer and balcony issue
12-Feb-2024	Rob Smith	0.40	264.00	review L. Jackson response to Receiver Report and call with T. Van Klink to discuss response to same
15-Feb-2024	Rob Smith	0.20	132.00	email with cooperators re tenancy and possible increase to insurance re vacancy
16-Feb-2024	Rob Smith	1.50	990.00	attend motion re approval of 2nd report and L. Jackson material
20-Feb-2024	Rob Smith	0.20	132.00	sign price adjustment form and email to BNS
23-Feb-2024	Rob Smith	0.10	66.00	January bank reconciliation
29-Feb-2024	Rob Smith	0.10	66.00	update rent roll with cheques received
04-Mar-2024	Rob Smith	0.40	264.00	update call with Colliers; review invoice from Co-Operators for vacancy premium, request payment
06-Mar-2024	Rob Smith	0.40	264.00	review offer received, call with Colliers and email to BNS re same, sign counter
20-Mar-2024	Rob Smith	0.50	330.00	call with Cian, email lease and property docs, update R&D
22-Mar-2024	Rob Smith	0.70	462.00	call from Evan @ Scotiawealth re potential purchaser; update call with BNS; email with Colliers re brochure and possible interest
22-Mar-2024	Rob Smith	0.10	66.00	February bank reconciliation
27-Mar-2024	Rob Smith	0.10	66.00	respond to N. Chopra and L. Lansink email
19-Apr-2024	Rob Smith	0.20	132.00	update call with Colliers
19-Apr-2024	Rob Smith	0.10	66.00	March bank reconciliation
23-Apr-2024	Rob Smith	0.10	66.00	call from W. Rueger (CRA) re file update
29-Apr-2024	Rob Smith	0.10	66.00	email from Colliers re feedback on showings, respond to same
07-May-2024	Rob Smith	0.10	66.00	respond to insurance broker update request
15-May-2024	Rob Smith	0.10	66.00	email to cooperators to f/u on insurance renewal
15-May-2024	Rob Smith	0.10	66.00	April bank reconciliation
22-May-2024	Rob Smith	0.20	132.00	emails with Colliers and BNS re listing agreement and price drop, sign same
23-May-2024	Rob Smith	0.20	132.00	update call with W. Kaufman
30-May-2024	Rob Smith	0.20	132.00	emails from Colliers, forward to Larlyn to investigate concerns
17-Jun-2024	Rob Smith	0.30	202.50	update email to C. McDonnel
19-Jun-2024	Rob Smith	0.20	135.00	review notice from Township re Oak St. Property taxes
20-Jun-2024	Rob Smith	0.30	202.50	review insurance renewal and request payment of same
28-Jun-2024	Rob Smith	0.90	607.50	review 2547186 offer, call with Colliers to discuss, email to BNS re suggested sign back; review edits to sign back; May bank rec
03-Jul-2024	Rob Smith	0.30	202.50	call with Colliers and email to BNS re counter offer
05-Jul-2024	Rob Smith	0.20	135.00	call with Colliers re response to offers
12-Jul-2024	Rob Smith	0.10	67.50	call with Colliers re sign back
23-Jul-2024	Rob Smith	0.10	67.50	call/email with Colliers re offer
25-Jul-2024	Rob Smith	0.20	135.00	emails with Colliers and Scotia, 2547186 Ontario sign back
26-Jul-2024	Rob Smith	0.50	337.50	review 2547186 sign back, email/call with Colliers to discuss, email to BNS
30-Jul-2024	Rob Smith	0.80	540.00	call with L. Lansink re Aventus LOI, review LOI, review comparison sheet, email to BNS; prepare estimated payout summary for BNS; respond to S. Graff email
01-Aug-2024	Rob Smith	0.60	405.00	call with S. Graff re Aventus; emails with N. Chopra re sale options; call with L. Lansink re Aventus offer; review latest Aventus sign back and email to N. Chopra
06-Aug-2024	Rob Smith	0.30	202.50	email to Colliers re sign back; calls with M. Chambers
08-Aug-2024	Rob Smith	0.40	270.00	review latest Aventus sign back and email to Scotia; call with Cian; email APS to Tony for review; review parcel abstract
09-Aug-2024	Rob Smith	0.20	135.00	emails from N. Chopra and call with M. Chambers re possible extension of singback
09-Aug-2024	Rob Smith	0.10	67.50	June bank rec
12-Aug-2024	Rob Smith	0.60	405.00	sign final APS, email to BNS and counsels to update; email to BNS re HST I filing emails; misc admin; email CRA re HST deemed trust
13-Aug-2024	Rob Smith	0.90	607.50	call with CRA re property claim, email to T. Van Klink and T. Hogan; begin court report; email municipality of CK for update on Oak St.
14-Aug-2024	Rob Smith	0.60	405.00	emails with Municipality of CK re Oak St. taxes; work on final report
15-Aug-2024	Rob Smith	2.10	1,417.50	emails with Colliers and TVK re deposit; work on third court report, updated PPSA, update R&D
16-Aug-2024	Rob Smith	4.10	2,767.50	finalize third court report and supplemental
		37.20	24,759.00	
Total Professional Fees		199.50	92,465.20	

APPENDIX K

Court File No. CV-22-00001571-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

THE BANK OF NOVA SCOTIA

Applicant

- and -

RICHMOND MEDICAL CENTRE INC. and I LOV THIS PLACE 11 INC.

Respondents

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended

FEE AFFIDAVIT OF MACKENZIE LAFORET

I, MACKENZIE LAFORET, of the City of London, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an associate with the law firm of Miller Thomson LLP (“**MT**”), lawyers for MNP Ltd. (“**MNP**”), in its capacity as Court-appointed Receiver (the “**Receiver**”) of the property, assets and undertakings of Richmond Medical Centre Inc. and I Lov This Place 11 Inc. and, as such, have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true.
2. I make this Affidavit in support of the Receiver’s motion for, among other things, having the fees and disbursements of MT, as legal counsel to the Receiver, approved.
3. Attached hereto to this my Affidavit and marked as **Exhibit “A”** are copies of the invoices (the “**MT Invoices**”) rendered by MT to MNP which reflects, *inter alia*, fees and disbursements of MT for the period November 2, 2023 through May 31, 2024 (the “**Period**”). The MT Invoice accurately reflects the services provided by MT during the Period and the fees and disbursements claimed by it. During the Period, the total fees and disbursements billed

were \$11,268 and \$393.60, respectively, plus applicable taxes in the amount of \$1,471.95 for a total of \$13,133.55.

4. Attached hereto to this my Affidavit and marked as **Exhibit "B"** is a schedule summarizing the MT Invoices, the fees, the disbursements and the HST billed for the Period. Lawyers and staff at MT have collectively expended a total of 16 hours in connection with this matter during the Period as outlined in the schedule.

5. To the best of my knowledge, the rates charged by MT throughout these proceedings are comparable to the rates charged by other firms in the Southwestern Ontario market for the provision of similar services. No premiums have been charged on the MT Invoices.

SWORN BEFORE ME:

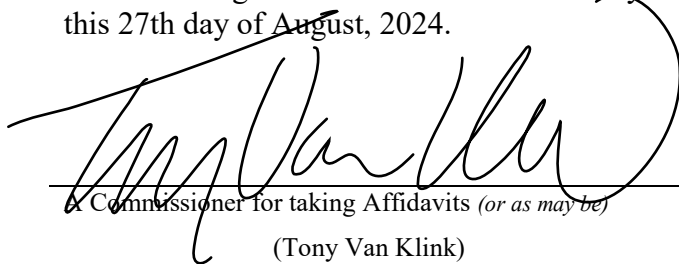
☐

in person

☒

by video conference

With the deponent in the City of London,
County of Middlesex, Province of Ontario and
the Commissioner in the Municipality of
Thames Centre, Province of Ontario in
accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely
this 27th day of August, 2024.

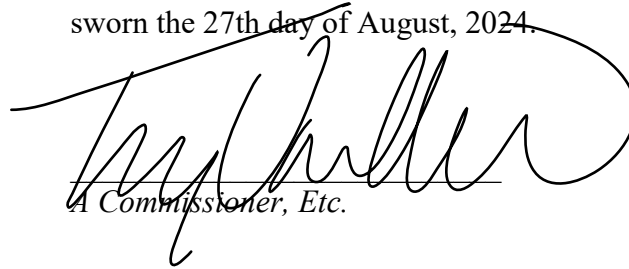


A Commissioner for taking Affidavits (or as may be)
(Tony Van Klink)

DocuSigned by:


E320799E62E047C...
Mackenzie Laforet

Attached are Exhibits "A" and "B" to
the Affidavit of Mackenzie Laforet
sworn the 27th day of August, 2024.



A Commissioner, Etc.

EXHIBIT "A"**270**

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

November 30, 2023

Invoice Number 3948217

MNP Ltd.
557 Southdale Rd. East
Suite 201
London, ON N6E 1A2

Attention: Rob Smith, Senior Vice-President

To Professional Services Rendered in connection with the following matter(s) including:

Re: Richmond Medical Centre Inc.
Our File No. 0223176.0015

Date	Initials	Description	Hours
11/02/2023	AVK	Reviewing Listing Agreement and preparing schedule of additional terms for same	0.30
11/13/2023	AVK	Emails with Ms. Jackson	0.20
11/22/2023	AVK	Reviewing LOI from prospective purchaser; emails with Mr. Smith	0.20
11/22/2023	AVK	Reviewing revised LOI and APS; emails with Mr. Smith	0.50
11/23/2023	AVK	Reviewing revised LOI; email to Mr. Smith	0.10
11/24/2023	AVK	Working on Second Report to Court and Confidential Supplement	1.20
11/27/2023	AVK	Email to Mr. Smith regarding second report to court	0.10
11/27/2023	AVK	Email from Mr. Smith; reviewing counter offer	0.10
Total Hours			2.70

Our Fee: 1,849.50



Invoice 3948217

Ontario HST 13% (R119440766)	
On Fees	\$240.44

Total Amount Due	<hr/> \$2,089.94 <hr/>
-------------------------	-------------------------------

E.&O.E.

272

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

December 31, 2023

Invoice Number 3964975

MNP Ltd.
557 Southdale Rd. East
Suite 201
London, ON N6E 1A2

Attention: Rob Smith, Senior Vice-President

To Professional Services Rendered in connection with the following matter(s) including:

Re: Richmond Medical Centre Inc.
Our File No. 0223176.0015

Date	Initials	Description	Hours
12/18/2023	AVK	Emails with Mr. Smith	0.10
12/22/2023	AVK	Working on motion materials for approval of Second Report and updating sale process order	2.00
12/27/2023	AVK	Working on motion materials for January 12, 2024 motion; correspondence to service list	2.20
12/28/2023	AVK	Emails with lawyer for BNS	0.10
12/28/2023	AVK	AOS and filing of motion record	0.10
Total Hours			4.50

Our Fee: 3,082.50

Taxable Disbursements

Delivery	54.60	
Total Taxable Disbursements	54.60	\$54.60



Invoice 3964975

Total Fees and Disbursements	\$3,137.10
Ontario HST 13% (R119440766)	
On Fees	\$400.73
On Disbursements	\$7.10
Total Amount Due	<hr/> \$3,544.93 <hr/>
E.&O.E.	



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

January 31, 2024

Invoice Number 3973476

MNP Ltd.
557 Southdale Rd. East
Suite 201
London, ON N6E 1A2

Attention: Rob Smith, Senior Vice-President

To Professional Services Rendered in connection with the following matter(s) including:

Re: Richmond Medical Centre Inc.
Our File No. 0223176.0015

Date	Initials	Description	Hours
01/03/2024	AVK	Preparing motion confirmation; emails to service list and court office	0.20
01/03/2024	AVK	Emails with Ms. Jackson regarding adjournment of motion	0.10
01/05/2024	AVK	Telephone call with lawyer for second mortgagee; emails with Mr. Smith; email to lawyer for second mortgagee; prepare amended confirmation of motion and attend to service and filing of same	0.60
01/09/2024	AVK	Emails with Ms. Jackson	0.20
01/10/2024	AVK	Prepare Participant Information form; filing materials	0.10
01/10/2024	AVK	Emails with Mr. Smith and Ms. Jackson	0.20
01/11/2024	AVK	Emails with counsel for Bank of Nova Scotia	0.10
01/11/2024	AVK	Email to Service List	0.10
01/12/2024	AVK	Attend on motion to approve amended sale process; prepare revised draft order	1.80
01/15/2024	AVK	Receive signed Order; letter to service list	0.10



Invoice 3973476

Total Hours	3.50
--------------------	-------------

Our Fee:	2,520.00
-----------------	-----------------

Non-Taxable Disbursements

Issue Notice of Motion	339.00
------------------------	--------

Total Non-Taxable Disbursements	<hr/> 339.00	\$339.00
---------------------------------	--------------	----------

Total Fees and Disbursements	\$2,859.00
-------------------------------------	-------------------

Ontario HST 13% (R119440766)

On Fees	\$327.60
---------	----------

Total Amount Due	<hr/> \$3,186.60 <hr/>
-------------------------	-------------------------------

E.&O.E.

276

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

February 29, 2024

Invoice Number 3980158

MNP Ltd.
557 Southdale Rd. East
Suite 201
London, ON N6E 1A2

Attention: Rob Smith, Senior Vice-President

To Professional Services Rendered in connection with the following matter(s) including:

Re: Richmond Medical Centre Inc.
Our File No. 0223176.0015

Date	Initials	Description	Hours
02/07/2024	AVK	Preparing motion confirmation form; emails with Ms. Jackson	0.20
02/12/2024	AVK	Reviewing responding materials of Lisa Jackson; telephone call with Rob Smith; email to Ms. Jackson	0.50
02/13/2024	AVK	Email to other counsel	0.10
02/14/2024	AVK	Preparing for February 16 motion; prepare draft order	0.30
02/15/2024	AVK	Preparing for motion	0.50
02/16/2024	AVK	Attending on motion for approval of Second Report	3.50

Total Hours **5.10**

Our Fee: **3,672.00**

Ontario HST 13% (R119440766)
On Fees **\$477.36**

Total Amount Due **\$4,149.36**

E.&O.E.

277**MILLER THOMSON**
AVOCATS | LAWYERS**MILLER THOMSON LLP**
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA**T** 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM**May 31, 2024**

Invoice Number 4011440

MNP Ltd.
557 Southdale Rd. East
Suite 201
London, ON N6E 1A2

Attention: Rob Smith, Senior Vice-President

To Professional Services Rendered in connection with the following matter(s) including:

Re: Richmond Medical Centre Inc.
Our File No. 0223176.0015

Date	Initials	Description	Hours
03/01/2024	AVK	Correspondence to City of London regarding tax arrears and stay of proceedings	0.20
Total Hours			0.20

Our Fee: 144.00**Ontario HST 13% (R119440766)**
On Fees \$18.72**Total Amount Due**

\$162.72

E.&O.E.

EXHIBIT "B"
Miller Thomson's Fees

Hours	Year of Call	Rate 2023	Rate 2024	Invoice #3948217	Invoice #3964975	Invoice #3973476	Invoice #3980158	Invoice #4011440	Total
				30-Nov-23	31-Dec-23	31-Jan-24	29-Feb-24	31-May-24	
T. Van Klink - Partner	1988	\$685.00	\$720.00	2.70	4.50	3.50	5.10	0.20	16.00
				2.70	4.50	3.50	5.10	0.20	16.00
Total \$									
T. Van Klink - Partner	1988	\$685.00	\$720.00	\$ 1,849.50	\$ 3,082.50	\$ 2,520.00	\$ 3,672.00	\$ 144.00	\$ 11,268.00
				\$ 1,849.50	\$ 3,082.50	\$ 2,520.00	\$ 3,672.00	\$ 144.00	\$ 11,268.00
Summary									
Fees				\$ 1,849.50	\$ 3,082.50	\$ 2,520.00	\$ 3,672.00	\$ 144.00	\$ 11,268.00
Disbursements				\$ -	\$ 54.60	\$ 339.00	\$ -	\$ -	\$ 393.60
HST				\$ 240.44	\$ 407.83	\$ 327.60	\$ 477.36	\$ 18.72	\$ 1,471.95
Total				\$ 2,089.94	\$ 3,544.93	\$ 3,186.60	\$ 4,149.36	\$ 162.72	\$ 13,133.55

THE BANK OF NOVA SCOTIA RICHMOND MEDICAL CENTRE INC.
and and I LOV THIS PLACE 11 INC.

Court File No: CV-22-00001571-0000

Applicant Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at LONDON

FEE AFFIDAVIT OF MACKENZIE LAFORET

MILLER THOMSON LLP
One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink LSO# 29008M
tvanklink@millerthomson.com
Tel: 519.931.3509
Fax: 519.858.8511

**Lawyers for MNP Ltd., the court-appointed
Receiver of Richmond Medical Centre Inc.
and I Lov This Place 11 Inc.**

APPENDIX L



PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #33

08066-0197 (LT)

PAGE 1 OF 4
PREPARED FOR Rebecca01
ON 2024/08/23 AT 14:38:50

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

PROPERTY DESCRIPTION: PART LOT 28, RCP 1029, DESIGNATED AS PART 1, 33R19375; TOGETHER WITH AN EASEMENT OVER PARTS 2, 3, 4, 5 AND 7 33R19479 AS IN ER1063273; SUBJECT TO AN EASEMENT OVER PART 1, 33R19479 IN FAVOUR OF PART LOT 23-27, RCP 1029, PARTS 1,3,5,7,& 9, 33R19435 AS IN ER1063272; CITY OF LONDON

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT ER1063272.

ESTATE/QUALIFIER: FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY: DIVISION FROM 08066-0145

PIN CREATION DATE:
2016/05/17

OWNERS' NAMES RICHMOND MEDICAL CENTRE INC.

CAPACITY SHARE ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2016/05/17 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1990/02/12 **						
118887	1959/04/09	BYLAW				C
CORRECTIONS: 'THIS INSTRUMENT' WAS DELETED FROM PROPERTY 08072-0175 IN ERROR AND WAS RE-INSTATED ON 1992/03/17 BY BRUCE BURT.						
286285	1969/05/14	BYLAW				C
ER860608	2013/01/04	TRANSFER	\$595,000	KASHYAP, PURVEEN KASHYAP, SUMAN	RICHMOND MEDICAL CENTRE INC.	C
ER1016215	2015/11/24	CHARGE		*** DELETED AGAINST THIS PROPERTY *** RICHMOND MEDICAL CENTRE INC.	PACIFIC & WESTERN BANK OF CANADA	
ER1016216	2015/11/24	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** RICHMOND MEDICAL CENTRE INC.	PACIFIC & WESTERN BANK OF CANADA	
REMARKS: ER1016215						
33R19375	2015/12/18	PLAN REFERENCE				C
33R19479	2016/06/03	PLAN REFERENCE				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.


ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

 LAND
 REGISTRY
 OFFICE #33

08066-0197 (LT)

 PAGE 2 OF 4
 PREPARED FOR Rebecca01
 ON 2024/08/23 AT 14:38:50

* 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
ER1060703	2016/08/30	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SOMMERDYK CONSTRUCTION LTD.		
ER1063091	2016/09/14	APL DEL CONST LIEN		*** COMPLETELY DELETED *** SOMMERDYK CONSTRUCTION LTD.		
REMARKS: ER1060703.						
ER1063272	2016/09/14	TRANSFER EASEMENT	\$2	RICHMOND MEDICAL CENTRE INC.	1635 RICHMOND (LONDON) CORP.	C
ER1065626	2016/09/28	NOTICE	\$2	RICHMOND MEDICAL CENTRE INC.	THE CORPORATION OF THE CITY OF LONDON	C
ER1065629	2016/09/28	POSTPONEMENT		*** COMPLETELY DELETED *** VERSABANK	THE CORPORATION OF THE CITY OF LONDON	
REMARKS: ER1065629 POSTPONED TO ER1065626						
ER1102833	2017/05/18	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** WOOLLATT BUILDING SUPPLY LTD.		
ER1103770	2017/05/25	APL DEL CONST LIEN		*** COMPLETELY DELETED *** WOOLLATT BUILDING SUPPLY LTD.		
REMARKS: ER1102833.						
ER1133020	2017/10/05	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** COPIA DEVELOPMENTS INC.		
ER1140069	2017/11/09	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FOREST CITY INTERIORS LTD.		
ER1143022	2017/11/24	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** STRONGFOAM, INC.		
ER1147192	2017/12/14	CERTIFICATE		*** COMPLETELY DELETED *** FOREST CITY INTERIORS LTD.		
REMARKS: DOCUMENT DELETED ON JULY 11, 2018 BY M.GRAY VACATED BY ER1178876 REGISTERED 2018/07/05 CERTIFICATE OF ACTION - ER1140069						
ER1147617	2017/12/15	CERTIFICATE		*** COMPLETELY DELETED *** COPIA DEVELOPMENTS INC.		
REMARKS: DOCUMENT DELETED ON JULY 11, 2018 BY M.GRAY VACATED BY ER1178875 REG 2018/07/05 CERTIFICATE OF ACTION - ER1133020						
ER1149178	2017/12/22	CERTIFICATE		*** COMPLETELY DELETED *** STRONGFOAM, INC.		
REMARKS: DOCUMENT DELETED ON JULY 11, 2018 BY M.GRAY VACATED BY ER1178877 2018/07/05 CERTIFICATE OF ACTION - ER1143022						

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.


ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

 LAND
 REGISTRY
 OFFICE #33

08066-0197 (LT)

 PAGE 3 OF 4
 PREPARED FOR Rebecca01
 ON 2024/08/23 AT 14:38:50

* 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
ER1149275	2017/12/27	CHARGE		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.	LIBRO CREDIT UNION LIMITED	
ER1149277	2017/12/27	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.	LIBRO CREDIT UNION LIMITED	
		REMARKS: ER1149275.				
ER1152219	2018/01/17	APL DEL CONST LIEN		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.		
		REMARKS: ER1133020. DELETE ER1147617				
ER1152225	2018/01/17	APL DEL CONST LIEN		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.		
		REMARKS: ER1140069. DELETE ER1147192				
ER1152232	2018/01/17	APL DEL CONST LIEN		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.		
		REMARKS: ER1143022. DELETE ER1149178				
ER1160043	2018/03/14	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** LAMBTON GLASS & MIRROR LTD.		
ER1164320	2018/04/12	NOTICE		RICHMOND MEDICAL CENTRE INC.		C
ER1166368	2018/04/26	CERTIFICATE		*** COMPLETELY DELETED *** LAMBTON GLASS & MIRROR LTD.		
		REMARKS: ER1160043				
ER1175170	2018/06/15	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** TREMBLAY, PAUL JULIEN		
ER1175741	2018/06/19	APL DEL CONST LIEN		*** COMPLETELY DELETED *** LAMBTON GLASS & MIRROR LTD.		
		REMARKS: ER1160043.				
ER1177035	2018/06/27	APL DEL CONST LIEN		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.		
		REMARKS: ER1175170.				
ER1178220	2018/06/29	DISCH OF CHARGE		*** COMPLETELY DELETED *** VERSABANK		
		REMARKS: ER1016215.				

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.


ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

 LAND
 REGISTRY
 OFFICE #33

08066-0197 (LT)

 PAGE 4 OF 4
 PREPARED FOR Rebecca01
 ON 2024/08/23 AT 14:38:50

* 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
ER1178875	2018/07/05	APL DEL CONST LIEN		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.		
		REMARKS: ER1147617.				
ER1178876	2018/07/05	APL DEL CONST LIEN		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.		
		REMARKS: ER1147192.				
ER1178877	2018/07/05	APL DEL CONST LIEN		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.		
		REMARKS: ER1149178.				
ER1192076	2018/09/11	CHARGE	\$13,750,000	RICHMOND MEDICAL CENTRE INC.	THE BANK OF NOVA SCOTIA	C
ER1192077	2018/09/11	NO ASSGN RENT GEN		RICHMOND MEDICAL CENTRE INC.	THE BANK OF NOVA SCOTIA	C
		REMARKS: ER1192076				
ER1194320	2018/09/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** LIBRO CREDIT UNION LIMITED		
		REMARKS: ER1149275.				
ER1235591	2019/05/27	CAUTION-LAND		*** COMPLETELY DELETED *** RICHMOND MEDICAL CENTRE INC.	LUBELL, RICHARD FRANK	
		REMARKS: 60 DAYS FROM 2019/05/27 DELETED 2019/08/29 BY J.HORN				
ER1364652	2021/03/30	CHARGE	\$3,250,000	RICHMOND MEDICAL CENTRE INC.	2505151 ONTARIO INC.	C
ER1505033	2022/12/13	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	MNP LTD.	C
		REMARKS: APPOINTING RECEIVER				

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.

APPENDIX M

Liens : 4 Pages : 11

Searched : 16AUG2024 08:09 AM
Printed : 23AUG2024 04:43 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 08/16/2024
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:19
ACCOUNT : 009233-0001 FAMILY : 1 OF 4 ENQUIRY PAGE : 1 OF 11
FILE CURRENCY : 15AUG 2024
SEARCH : BD : RICHMOND MEDICAL CENTRE INC

00 FILE NUMBER : 506737953 EXPIRY DATE : 26JUN 2029 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20240626 1350 1532 0460 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: RICHMOND MEDICAL CENTRE INC.

OCN :

04 ADDRESS : 1653 RICHMOND STREET
CITY : LONDON PROV: ON POSTAL CODE: N6G2M9
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
THE BANK OF NOVA SCOTIA

09 ADDRESS : 4715 TAHOE BLVD
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W0B4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

13
14
15
16 AGENT: D + H LIMITED PARTNERSHIP
17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 08/16/2024
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:20
ACCOUNT : 009233-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 2 OF 11
FILE CURRENCY : 15AUG 2024
SEARCH : BD : RICHMOND MEDICAL CENTRE INC

287

00 FILE NUMBER : 747535176 EXPIRY DATE : 14JAN 2025 STATUS :
01 CAUTION FILING : PAGE : 01 OF 007 MV SCHEDULE ATTACHED :
REG NUM : 20190114 1017 1462 6039 REG TYP: P PPSA REG PERIOD: 6
02 IND DOB : IND NAME:
03 BUS NAME: RICHMOND MEDICAL CENTRE INC.

OCN :

04 ADDRESS : 1653 RICHMOND STREET
CITY : LONDON PROV: ON POSTAL CODE: N6G2M9
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
CLE CAPITAL INC.

09 ADDRESS : 3390 SOUTH SERVICE ROAD, SUITE 301
CITY : BURLINGTON PROV: ON POSTAL CODE: L7N3J5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

13 1 - CYNOSURE MONALISA TOUCH FRACTIONAL LASER WORKSTATION

14
15 THE PERSONAL PROPERTY DESCRIBED HEREIN, TOGETHER WITH ALL
16 AGENT: CLE CAPITAL INC.

17 ADDRESS : 3390 SOUTH SERVICE ROAD, SUITE 301
CITY : BURLINGTON PROV: ON POSTAL CODE: L7N3J5

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 08/16/2024
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:21
ACCOUNT : 009233-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 3 OF 11
FILE CURRENCY : 15AUG 2024
SEARCH : BD : RICHMOND MEDICAL CENTRE INC

288

00 FILE NUMBER : 747535176 EXPIRY DATE : 14JAN 2025 STATUS :
01 CAUTION FILING : PAGE : 02 OF 007 MV SCHEDULE ATTACHED :
REG NUM : 20190114 1017 1462 6039 REG TYP: P PPSA REG PERIOD: 6
02 IND DOB : IND NAME:
03 BUS NAME: OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME: OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS,
14 APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR
15 KIND FURNISHED IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT AND
16 AGENT: CLE CAPITAL INC.
17 ADDRESS : 3390 SOUTH SERVICE ROAD, SUITE 301
CITY : BURLINGTON PROV: ON POSTAL CODE: L7N3J5

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 08/16/2024
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:21
ACCOUNT : 009233-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 4 OF 11
FILE CURRENCY : 15AUG 2024
SEARCH : BD : RICHMOND MEDICAL CENTRE INC

289

00 FILE NUMBER : 747535176 EXPIRY DATE : 14JAN 2025 STATUS :
01 CAUTION FILING : PAGE : 03 OF 007 MV SCHEDULE ATTACHED :
 REG NUM : 20190114 1017 1462 6039 REG TYP: P PPSA REG PERIOD: 6
02 IND DOB : IND NAME:
03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10
 YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 ANY REPLACEMENTS AND SUBSTITUTIONS THEREFOR (COLLECTIVELY, THE
14 "EQUIPMENT"), AS WELL AS ALL OF THE DEBTOR'S PRESENT AND FUTURE
15 RIGHTS, TITLE AND INTEREST IN THE FOLLOWING (THE "EQUIPMENT-RELATED
16 AGENT: CLE CAPITAL INC.
17 ADDRESS : 3390 SOUTH SERVICE ROAD, SUITE 301
 CITY : BURLINGTON PROV: ON POSTAL CODE: L7N3J5

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 08/16/2024
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:22
ACCOUNT : 009233-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 5 OF 11
FILE CURRENCY : 15AUG 2024
SEARCH : BD : RICHMOND MEDICAL CENTRE INC

290

00 FILE NUMBER : 747535176 EXPIRY DATE : 14JAN 2025 STATUS :
01 CAUTION FILING : PAGE : 04 OF 007 MV SCHEDULE ATTACHED :
REG NUM : 20190114 1017 1462 6039 REG TYP: P PPSA REG PERIOD: 6
02 IND DOB : IND NAME:
03 BUS NAME:

OCN :

04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13 COLLATERAL")
14 (I) INTELLECTUAL PROPERTY AND OTHER INTANGIBLES RELATING TO THE
15 EQUIPMENT OR EQUIPMENT-RELATED COLLATERAL
16 AGENT: CLE CAPITAL INC.
17 ADDRESS : 3390 SOUTH SERVICE ROAD, SUITE 301
CITY : BURLINGTON PROV: ON POSTAL CODE: L7N3J5

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 08/16/2024
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:23
ACCOUNT : 009233-0001 FAMILY : 2 OF 4 ENQUIRY PAGE : 6 OF 11
FILE CURRENCY : 15AUG 2024
SEARCH : BD : RICHMOND MEDICAL CENTRE INC

291

00 FILE NUMBER : 747535176 EXPIRY DATE : 14JAN 2025 STATUS :
01 CAUTION FILING : PAGE : 05 OF 007 MV SCHEDULE ATTACHED :
REG NUM : 20190114 1017 1462 6039 REG TYP: P PPSA REG PERIOD: 6
02 IND DOB : IND NAME:
03 BUS NAME:

OCN :

04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 (II) ANY CONTRACT FOR THE SALE, LEASE, RENTAL OR OTHER DISPOSITION
14 OF THE EQUIPMENT
15 (III) ALL INSURANCE CLAIMS AND PROCEEDS RESULTING FROM ANY LOSS OR
16 AGENT: CLE CAPITAL INC.
17 ADDRESS : 3390 SOUTH SERVICE ROAD, SUITE 301
CITY : BURLINGTON PROV: ON POSTAL CODE: L7N3J5


```

00 FILE NUMBER : 747535176      EXPIRY DATE : 14JAN 2025 STATUS :
01 CAUTION FILING :                PAGE : 06 OF 007      MV SCHEDULE ATTACHED :
   REG NUM : 20190114 1017 1462 6039 REG TYP: P   PPSA      REG PERIOD: 6
02 IND DOB :                IND NAME:
03 BUS NAME:

                                                                OCN :
04 ADDRESS :
   CITY      :                PROV:                POSTAL CODE:
05 IND DOB :                IND NAME:
06 BUS NAME:

                                                                OCN :
07 ADDRESS :
   CITY      :                PROV:                POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
   CITY      :                PROV:                POSTAL CODE:
   CONS.      MV                DATE OF OR NO FIXED
   GOODS INVTRY. EQUIP  ACCTS  OTHER  INCL  AMOUNT  MATURITY  MAT DATE
10
   YEAR MAKE                MODEL                V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 DAMAGE TO THE EQUIPMENT OR THE EQUIPMENT-RELATED COLLATERAL AND
14 (IV) ANY PROCEEDS OF THE EQUIPMENT OR EQUIPMENT-RELATED COLLATERAL,
15 IN WHATEVER FORM IT MAY BE, INCLUDING WITHOUT LIMITATION, CHATTEL
16 AGENT: CLE CAPITAL INC.
17 ADDRESS : 3390 SOUTH SERVICE ROAD, SUITE 301
   CITY      : BURLINGTON                PROV: ON                POSTAL CODE: L7N3J5

```

```

00 FILE NUMBER : 747535176      EXPIRY DATE : 14JAN 2025 STATUS :
01 CAUTION FILING :                PAGE : 07 OF 007      MV SCHEDULE ATTACHED :
   REG NUM : 20190114 1017 1462 6039 REG TYP: P   PPSA      REG PERIOD: 6
02 IND DOB :                IND NAME:
03 BUS NAME:

                                OCN :

04 ADDRESS :
   CITY      :                PROV:                POSTAL CODE:
05 IND DOB :                IND NAME:
06 BUS NAME:

                                OCN :

07 ADDRESS :
   CITY      :                PROV:                POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
   CITY      :                PROV:                POSTAL CODE:
   CONS.      :                MV
   GOODS INVTRY. EQUIP  ACCTS  OTHER  INCL  AMOUNT  DATE OF OR NO FIXED
                                MATURITY  MAT DATE
10
   YEAR MAKE                MODEL                V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 PAPER, TITLE DOCUMENTS, GOODS, INSTRUMENTS, OR MONEY.
14
15
16 AGENT: CLE CAPITAL INC.
17 ADDRESS : 3390 SOUTH SERVICE ROAD, SUITE 301
   CITY      : BURLINGTON                PROV: ON      POSTAL CODE: L7N3J5

```

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 08/16/2024
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:25
ACCOUNT : 009233-0001 FAMILY : 3 OF 4 ENQUIRY PAGE : 9 OF 11
FILE CURRENCY : 15AUG 2024
SEARCH : BD : RICHMOND MEDICAL CENTRE INC

294

00 FILE NUMBER : 792587214 EXPIRY DATE : 21APR 2029 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20230421 1639 1590 0060 REG TYP: P PPSA REG PERIOD: 6
02 IND DOB : IND NAME:
03 BUS NAME: RICHMOND MEDICAL CENTRE INC.

OCN :

04 ADDRESS : 6908 EGREMONT DRIVE
CITY : LONDON PROV: ON POSTAL CODE: N6H 5L2
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
CO CAPITAL LTD.

09 ADDRESS : 8500 LESLIE STREET, SUITE 260
CITY : MARKHAM PROV: ON POSTAL CODE: L3T 7M8
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: GOWLING WLG (CANADA) LLP - HAMILTON
17 ADDRESS : ONE MAIN STREET WEST
CITY : HAMILTON PROV: ON POSTAL CODE: L8P 4Z5

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 08/16/2024
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:25
ACCOUNT : 009233-0001 FAMILY : 4 OF 4 ENQUIRY PAGE : 10 OF 11
FILE CURRENCY : 15AUG 2024
SEARCH : BD : RICHMOND MEDICAL CENTRE INC

295

00 FILE NUMBER : 792587223 EXPIRY DATE : 21APR 2029 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20230421 1639 1590 0061 REG TYP: P PPSA REG PERIOD: 6
02 IND DOB : IND NAME:
03 BUS NAME: RICHMOND MEDICAL CENTRE INC.

OCN :

04 ADDRESS : 6908 EGREMONT DRIVE
 CITY : LONDON PROV: ON POSTAL CODE: N6H 5L2
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 CO CAPITAL LTD.

09 ADDRESS : 8500 LESLIE STRRET, SUITE 260
 CITY : MARKHAM PROV: ON POSTAL CODE: L3T 7M8
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X
 YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 ALL OF THE DEBTOR'S RIGHT, TITLE, BENEFIT AND INTEREST IN AND TO ALL
14 PRESENT AND FUTURE RENTS, REVENUE AND LEASES OF EVERY KIND AND
15 DESCRIPTION RELATING TO THE PROPERTY KNOWN MUNICIPALLY AS 1653
16 AGENT: GOWLING WLG (CANADA) LLP - HAMILTON
17 ADDRESS : ONE MAIN STREET WEST
 CITY : HAMILTON PROV: ON POSTAL CODE: L8P 4Z5

296

OCN :

OCN :

```

14
15
16 AGENT:
17 ADDRESS :
   CITY    :                PROV:                POSTAL CODE:

```

END OF REPORT

APPENDIX N



March 3, 2023

E-mail (rob.smith@mnp.ca)

MNP Ltd.
557 Southdale Rd. East
London, ON N6E 1A2

Tony Van Klink

Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 223176.0015

Attention: Rob Smith, CIRP, LIT, CPA, CA

Dear Rob:

Re: Richmond Medical Centre Inc. ("Richmond Medical") and I Lov This Place 11 Inc. ("I Lov This Place" and together with Richmond Medical, the "Debtors")

By Order of the Honourable Mr. Justice Grace dated December 9, 2022, MNP Ltd. (the "**Receiver**") was appointed as receiver of the assets, undertakings and properties of the Debtors.

The following is our report to you and our opinion on the validity and enforceability of the security held by The Bank of Nova Scotia ("**BNS**") and 2505151 Ontario Inc. ("**250 Ontario**") against the assets of the Debtors, including the following real properties (the "**Real Properties**") owned by Richmond Medical:

1. the real property located at 1653 Richmond Street, London improved with a four storey, mixed use, medical office and apartment building (the "**Richmond Street Property**"); and
2. the real property located at 125 Oak Street, Bothwell improved with a warehouse (the "**Oak Street Property**").

ASSUMPTIONS AND QUALIFICATIONS

The opinions expressed in this letter are subject to the qualifications and assumptions set forth on Schedule A to this letter.

SEARCHES

We have conducted the following searches concerning the Debtors:

1. Profile Report - We obtained a profile report with respect to each of the Debtors from the Ministry of Public and Business Service Delivery for the Province of Ontario on March 2, 2023 which confirmed that Richmond Medical was incorporated under the name "Richmond Medical Centre Inc." on November 8, 2012 and I Lov This Place was incorporated under the name "I Lov This Place 11 Inc." on July 13, 2007;

2. Certificate of Status – We obtained a certificate of status for each of the Debtors from the Ministry of Public and Business Service Delivery for the Province of Ontario which confirmed that the Debtors had not been dissolved as of March 2, 2023;
3. Land Titles – We performed a sub search of the title to the Richmond Street Property on December 13, 2022 and the Oak Street Property on February 1, 2023, the results of which are summarized on Schedule B. The registrations disclosed by the sub searches included the following:
 - (a) charge in the principal amount of \$13,750,000 in favour of BNS registered on September 11, 2018 as instrument number ER1192076 against title to the Richmond Street Property (the “**BNS Richmond Street Charge**”);
 - (b) charge in the principal amount of \$3,250,000 in favour of 250 Ontario registered on March 30, 2021 as instrument number ER1364652 against title to the Richmond Street Property (the “**250 Ontario Richmond Street Charge**”); and
 - (c) charge in the principal amount of \$3,250,000 in favour of 250 Ontario registered on March 30, 2021 as instrument number CK186390 against title to the Oak Street Property (the “**250 Ontario Oak Street Charge**”).
4. *Planning Act* – We completed an abutting lands search for the Richmond Street Property as of the dates of registration of the BNS charge (September 11, 2018) and the 250 Ontario charge (March 30, 2021) and for the Oak Street Property as of the date of registration of the 250 Ontario charge (March 30, 2021) to ensure compliance of the charges with s. 50 of the *Planning Act*. Based on those searches, the BNS charge and the 250 Ontario charges comply with s. 50 of the *Planning Act*;
5. Executions – We obtained an execution certificate dated March 2, 2023 from the Sheriff of the County of Middlesex and an execution certificate dated March 2, 2023 from the Sheriff of the County of Kent in respect of Richmond Medical and an execution certificate dated March 2, 2023 from the Sheriff of the County of Middlesex with respect to I Lov This Place which confirmed that no active writs of execution, orders or certificates of lien were filed against the Debtors within the electronic database maintained by the said sheriffs in accordance with s. 10 of the *Execution Act* as of that date;
6. *Personal Property Security Act* (Ontario) (“**PPSA**”) – We conducted searches of registrations against the Debtors under the *PPSA* which searches were current as of March 1, 2023. The registrations disclosed by the searches are summarized on Schedule C to this letter; and
7. *Bank Act* (Canada) – We conducted searches of notices of intention to give security under the *Bank Act* registered in the Province of Ontario against the Debtors as of March 2, 2023, which search did not disclose any outstanding registrations against the Debtors as of that date.



SECURITY REVIEWED(a) **BNS**

We have reviewed the Application Record of BNS dated October 18, 2022 in Ontario Superior Court of Justice court file number CV-22-00001571-0000 which sets out the particulars of the loans made by BNS to the Debtors and the security provided by the Debtors to BNS. In general terms, BNS made loans totalling approximately \$7.5 million to Richmond Medical pursuant to a commitment letter dated May 14, 2019 and approximately \$160,000 to I Lov This Place pursuant to a commitment letter dated April 29, 2020 and June 1, 2021. Richmond Medical has guaranteed payment of the liabilities of I Lov This Place under a Guarantee dated September 6, 2018.

We have reviewed copies of the following security documents granted by the Debtors to BNS:

1. the BNS Richmond Street Charge;
2. General Assignments of Rents dated September 7, 2018 from Richmond Medical in respect of the Richmond Street Property ("**BNS Richmond Medical AOR**");
3. General Security Agreement dated August 31, 2017 from Richmond Medical (the "**BNS Richmond Medical GSA**"); and
4. General Security Agreement dated September 6, 2018 from I Lov This Place (the "**BNS I Lov This Place GSA**").

The BNS Richmond Street Charge

The BNS Richmond Street Charge was registered electronically in the Middlesex Land Registry Office against title to the Richmond Street Property on September 11, 2018. Elisabetta Jackson, as president of Richmond Medical, signed an Acknowledgement and Direction and an Electronic Document Agreement, each dated September 6, 2018, authorizing the electronic registration of the BNS Richmond Street Charge.

The BNS Richmond Street Charge is a collateral charge securing all present and future debts and liabilities of Richmond Medical to BNS to a maximum principal amount of \$13,750,000, plus interest thereon and costs.

The BNS Richmond Street Charge includes an assignment of the leases and rents for the Richmond Street Property.

There is no apparent defect in the BNS Richmond Street Charge.

The BNS Richmond Medical AOR

As further security for the amounts secured under the BNS Richmond Street Charge, Richmond Medical provided BNS with an Assignment dated September 7, 2018 under the terms of which Richmond Medical assigned to BNS the rents for the Richmond Street Property.



A Notice of Assignment of Rents – General was registered on title to the Richmond Street Property on September 11, 2018 as instrument number ER1192077.

There is no apparent defect in the BNS Richmond Medical AOR.

The BNS Richmond Medical GSA

The BNS Richmond Medical GSA has been executed by Elisabetta Jackson, on behalf of Richmond Medical.

Under the terms of the Richmond Medical GSA, Richmond Medical granted to BNS a security interest in its present and after acquired undertaking and property to secure payment and performance of its obligations to BNS.

There is no apparent defect in the BNS Richmond Medical GSA.

The BNS I Lov This Place GSA

The BNS I Lov This Place GSA has been executed by Elisabetta Jackson, on behalf of I Lov This Place.

Under the terms of the BNS I Lov This Place GSA, I Lov This Place granted to BNS a security interest in its present and after acquired undertaking and property to secure payment and performance of its obligations to BNS.

There is no apparent defect in the BNS I Lov This Place GSA.

(b) *250 Ontario*

The 250 Ontario Richmond Street Charge

The 250 Ontario Richmond Street Charge was registered electronically in the Middlesex Land Registry Office against title to the Richmond Street Property on March 30, 2021. Elisabetta Jackson, as president of Richmond Medical, signed an Acknowledgement and Direction dated March 23, 2021, authorizing the electronic registration of the 250 Ontario Richmond Street Charge.

The 250 Ontario Richmond Street Charge is a collateral charge securing all present and future debts and liabilities of Richmond Medical to 250 Ontario to a maximum principal amount of \$3,250,000, plus interest thereon and costs.

There is no apparent defect in the 250 Ontario Richmond Street Charge.

The 250 Ontario Oak Street Charge

The 250 Ontario Oak Street Charge was registered electronically in the Kent Land Registry Office against title to the Oak Street Property on March 30, 2021. Elisabetta Jackson, as president of Richmond Medical, signed an Acknowledgement and Direction dated March 23, 2021, authorizing the electronic registration of the 250 Ontario Oak Street Charge.



The 250 Ontario Oak Street Charge is a collateral charge securing all present and future debts and liabilities of Richmond Medical to 250 Ontario to a maximum principal amount of \$3,250,000, plus interest thereon and costs.

There is no apparent defect in the 250 Ontario Oak Street Charge.

PPSA REGISTRATIONS

The *PPSA* registrations outstanding against the Debtors as of March 1, 2023 are summarized on Schedule B.

(a) Richmond Medical

BNS registered a financing statement on September 11, 2018 for a period of five years as registration number 20180911 1528 1862 1979 and a financing statement on December 6, 2018 for a period of five years as registration number 20181206 0935 1532 6154 with respect to the BNS Richmond Medical GSA and the BNS Richmond Medical AOR. Both registrations included the collateral classifications of inventory, equipment, accounts and other. A financing change statement was registered on January 4, 2019 to amend the collateral classification in the December 6, 2018 registration to include motor vehicles.

(b) I Lov This Place

BNS registered a financing statement on September 13, 2017 for a period of five years as registration number 20170913 0912 1532 1429, which registration was renewed for an additional period of five years by the registration of a financing change statement (renewal) on August 15, 2022 as registration number 220815 1050 1529 4357, with respect to the BNS I Lov This Place GSA. The registration includes the collateral classifications of inventory, equipment, accounts, other and motor vehicles.

OPINIONS

Subject to the qualifications and assumptions set forth on Schedule A to this letter, we are of the opinion that:

1. The BNS Richmond Street Charge is a valid and enforceable charge against the Richmond Street Property securing the principal sum of \$13,750,000, plus interest and costs;
2. BNS has a valid and perfected security interest in the leases and rents for the Richmond Street Property as further security for the payment of the amounts secured under the BNS Richmond Street Charge;
3. BNS has a valid and perfected security interest in the personal property of Richmond Medical securing the payment and performance of all obligations of Richmond Medical to BNS, including interest and costs;
4. BNS has a valid and perfected security interest in the personal property of I Lov this Place securing the payment and performance of all obligations of I Lov this Place to BNS, including interest and costs;



5. The 250 Ontario Richmond Street Charge is a valid and enforceable charge against the Richmond Street Property securing the principal sum of \$3,250,000, plus interest and costs;
6. The 250 Ontario Oak Street Charge is a valid and enforceable charge against the Oak Street Property securing the principal sum of \$3,250,000, plus interest and costs; and
7. The BNS Richmond Street Charge ranks in priority to the 250 Ontario Oak Street Charge by order of registration.

Yours truly,

Tony Van Klink

TVK/jf

Enclosures



SCHEDULE "A"**Genuineness and Authenticity**

We assume the genuineness of all signatures and the authenticity of all documents or copies thereof.

Equity and other Statutory Limitations

The opinions herein expressed are subject to any equities between the parties of which we have no notice or knowledge.

Proper Corporate Authorization

We assume that the security documents described in the attached letter have been executed by proper signing officers of the Debtors duly authorized.

Accuracy of PPSA Register and Public Records

We have assumed the accuracy of all public records, indexes and filing systems which we have searched or have caused inquiries to be made. We also assume that the registrations disclosed by the *PPSA* and *Bank Act* searches which we have conducted accurately reflects the contents of and all registrations affecting the Debtors made by all secured parties.

Laws of Ontario

The opinions expressed herein, insofar as same relate to personal property, are limited to personal property located in the Province of Ontario. The opinions expressed herein are, as well, limited to the laws of the Province of Ontario and all federal laws applicable therein.

Attachment

We assume that the Debtors either owned or had rights akin to ownership to permit the security interests created in the security documents described in this letter to attach within the meaning of the *PPSA*.

Consideration and Outstanding Indebtedness

We assume that consideration was given by the secured creditors to support the granting of the security documents by the Debtors.



SCHEDULE B
SUB SEARCHES OF REAL PROPERTY

PIN #08066-0197(LT) LRO #33 (Richmond Medical Centre Inc.) – December 13, 2022

REGISTRATION NO.	DATE	INSTRUMENT	PARTY
118887	1959/04/09	Bylaw	N/A
286285	1969/05/14	Bylaw	N/A
ER860608	2013/01/04	Transfer	Richmond Medical Centre Inc.
33R19375	2015/12/18	Plan Reference	N/A
33R19479	2016/06/03	Plan Reference	N/A
ER1063272	2016/09/14	Transfer Easement (\$2)	1635 Richmond (London) Corp.
ER1065626	2016/09/28	Notice (\$2)	The Corporation of the City of London
ER1192076	2018/09/11	Charge (\$13,750,000)	The Bank of Nova Scotia
ER1192077	2018/09/11	No Assgn Rent Gen	The Bank of Nova Scotia
ER1364652	2021/03/30	Charge (\$3,250,000)	2505151 Ontario Inc.



PIN #00642-0103(LT) LRO #24 (Richmond Medical Centre Inc.) – February 1, 2023

REGISTRATION NO.	DATE	INSTRUMENT	PARTY
277505	1974/11/04	Notice of Lease	The liquor Control Board of Ontario
297415	1976/04/23	Assignment General (\$1)	McWilliams, Cameron J. McWilliams, Helen M.
354873	1979/11/13	Notice of Lease	The Liquor Control Board of Ontario
486152	1990/02/02	Notice of Lease	Liquor Control Board of Ontario
546484	1994/08/19	Notice of Lease	Liquor Control Board of Ontario
600419	2000/06/12	Notice	Liquor Control Board of Ontario
642988	2005/04/26	Notice of Lease	Liquor Control Board of Ontario
CK92597	2014/02/21	Transfer (\$209,000)	Richmond Medical Centre Inc.
CK92598	2014/02/21	No Assgn Rent Gen	The Toronto-Dominion Bank
CK106735	2015/05/21	Notice of Lease	Liquor Control Board of Ontario
CK186389	2021/03/30	Charge (\$3,250,000)	2505151 Ontario Inc.
CK186390	2021/03/30	No Assgn Rent Gen	2505151 Ontario Inc.



SCHEDULE C

**ONTARIO PERSONAL PROPERTY SECURITY ACT SEARCH
IN THE NAME OF RICHMOND MEDICAL CENTRE INC.
FILE CURRENCY: MARCH 1, 2023**

REGISTRATION NO.	SECURED PARTY	COLLATERAL CLASSIFICATION	PPSA (P)/ RSLA (R)
20180911 1528 1862 1979	The Bank of Nova Scotia	Inventory, Equipment, Accounts, Other	P
20181206 0935 1532 6154	The Bank of Nova Scotia	Inventory, Equipment, Accounts, Other	P
Amendment 20190104 1942 1531 4026		Add: Motor Vehicle Classification	
20190114 1017 1462 6039	CLE Capital Inc.	Equipment, Other	P
20190905 1252 6005 3958	CWB National Leasing Inc.	Equipment	P

**ONTARIO PERSONAL PROPERTY SECURITY ACT SEARCH
IN THE NAME OF I LOV THIS PLACE 11 INC.
FILE CURRENCY: MARCH 1, 2023**

REGISTRATION NO.	SECURED PARTY	COLLATERAL CLASSIFICATION	PPSA (P)/ RSLA (R)
20170913 0912 1532 1429	The Bank of Nova Scotia	Inventory, Equipment, Accounts, Other Motor Vehicle Included	P
Renewal 20220815 1050 1529 4357			
20180911 1528 1862 1978	The Bank of Nova Scotia	Accounts, Other	P
20181227 1650 1532 8836	Mercedes-Benz Financial	Equipment, Other, Motor Vehicle Included	P
Renewal 20210126 1725 1532 6922			
20220721 1605 1763 1556	Canada Revenue Agency	Other, Motor Vehicle Included	P

