

**ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c.
B-3, AS AMENDED AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF LA SALLE MOTEL (KINGSTON) LTD., A CORPORATION
INCORPORATED UNDER THE LAWS OF ONTARIO**

**MOTION RECORD
(Returnable June 21, 2023)**

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TO: SERVICE LIST

IN THE MATTER OF LA SALLE MOTEL CO. (KINGSTON) LTD.

**PROPOSAL PROCEEDINGS
SERVICE LIST**

UPDATED: April 17, 2023

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Tab 1

**ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

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B-3, AS AMENDED AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF LA SALLE MOTEL (KINGSTON) LTD., A CORPORATION
INCORPORATED UNDER THE LAWS OF ONTARIO**

**NOTICE OF MOTION
(Returnable June 21, 2023)**

La Salle Motel Co. (Kingston) Ltd. (the "**Applicant**" or the "**Company**") will make a motion before the Honourable Mr. Justice Kershman of the Ontario Superior Court of Justice (the "**Court**") on June 21, 2023, at 2:00 p.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- ☐ In writing under subrule 37.12.1(1).
- ☐ In writing as an opposed motion under subrule 37.12.1(4).
- ☐ In person.
- ☐ By telephone conference.
- ☒ By video conference.

At a Zoom link to be provided by the Court in advance of the motion.

THE MOTION IS FOR:

1. An order substantially in the form attached at **Tab 1(A)** of the motion record (the "**Order**"),
inter alia:

- a. abridging the time for and validating the service of this notice of motion and the motion record and dispensing with service on any person other than those served;
 - b. extending the time for the Applicant to file a proposal under the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and extending the corresponding stay of proceedings (the "**Stay Extension**") to and including August 4, 2023;
 - c. approving the letter agreement dated June 6, 2023 (the "**SISP Advisor Engagement Agreement**"), among the Applicants and Janis Biro of Royal LePage. (the "**SISP Advisor**"),
 - d. authorizing the Company and the SISP Advisor to conduct a sale and investment solicitation process (the "**SISP**"), substantially in the form attached at Schedule "A" to the Order, in consultation with the Proposal Trustee;
 - e. authorizing the SISP Advisor and the Applicants to implement the SISP, in consultation with the Proposal Trustee; and
 - f. approving the Second Report to the Court of the Proposal Trustee to be filed (the "**Second Report**") and approving the Proposal Trustee's activities set out therein.
2. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. The Company is a corporation duly registered pursuant to the laws of Ontario having its head office in Kingston, Ontario. The Company is currently the owner of the LaSalle Hotel and the LaSalle Property (defined below).

4. Peter Karkoulis (“**Peter**”), is a 92-year old individual residing in Kingston, Ontario and is an officer and director of the Company.
5. John Karkoulis (“**John**”) is a 96-year old individual residing in Kingston, Ontario and is an officer and director of the Company.
6. Peter Karkoulis Jr. (“**Peter Jr.**”) is an individual residing in the City of Kingston, Ontario and nephew of Peter and John. He is the former general manager of the LaSalle Hotel.
7. In or about 1966 or 1967, Peter, John, and Peter Jr.’s deceased father, George Karkoulis (“**George**”), purchased the LaSalle Motel and Cavalier Room in Kingston, Ontario. The LaSalle Motel would eventually become the LaSalle Hotel, which has been a family-owned and operated business since its inception.
8. After years of deliberation, family discussions, Peter and John agreed to sell certain assets of the Company, including the LaSalle Property, to 1000073686 Ontario Inc. (hereinafter referred to as “**686**”) in December of 2021 and the sale was scheduled to close on August 10, 2022 (the “**Sale Transaction**”).

Litigation History

9. On or about August 5, 2022, Peter Jr. commenced an action against the Company and Peter and John in their capacities as directors of the Company, brought an *ex parte* motion in writing and obtained an order that a Certificate of Pending Litigation (“**CPL**”) be issued and registered against the real property municipally known as 2360 Princess Street, Kingston, Ontario, and legally described as PT LT 14 CON 3 KINGSTON AS IN FR315986; S/T FR332477, TKU12314; KINGSTON registered as PIN 36086-0103 (the “**LaSalle Property**”).
10. In addition, the *ex parte* Order enjoined the Company from encumbering or otherwise dealing with the LaSalle Property.

11. By allegations contained in the action he commenced, Peter Jr asserted and continues to assert an interest in the Property by virtue of resulting trust and/or proprietary estoppel.

12. As a result of the registration of the CPL and the issuance of the *ex parte* order of the Honourable Mr. Justice Mew, the Sale Transaction did not close on August 10, 2022 and the closing was extended to allow the Company to bring a motion to vacate or lift the CPL.

13. The Company's motion was heard by the Honourable Madam Justice Ryan Bell on October 6 and 21 2022 and on January 19, 2023, was dismissed.

14. In the Reasons delivered, Justice Ryan Bell determined that:

- a. the LaSalle Property should not be sold to 686 pending the outcome of Peter Jr.'s action because doing so would prejudice his claim before it had been decided; and
- b. the CPL and injunction were not improperly ordered and remain in force.

15. As the CPL was not vacated or removed, the Company, Peter and John were unable to close the Sale Transaction and no further extensions of the closing occurred after January 31, 2023.

16. Over the course of the first few months of 2023, the Company was having difficulty meeting its obligations as they became due (and overdue). Those obligations included payment of urgent expenses to suppliers, utilities, and legal fees associated with the litigation with Peter Jr.

17. In addition, three (3) separate actions were commenced against Peter, John and the Company between February 2023 and March 2023.

The Proposal Process

18. To address its liquidity and cash flow issues, the Applicant filed a Notice of Intention to Make a Proposal (the “**NOI**”) on April 3, 2023, pursuant to section 50.4(1) of BIA. Link & Associates Inc. was appointed as the Proposal Trustee.

19. With a view to advancing its restructuring efforts, the Applicant sought and, on April 19, 2023, obtained an order from the Court (the “**Stay Extension Order**”), among other things:

- a. extending the time for the Applicant to file a proposal under the BIA and extending the corresponding stay of proceedings to and including June 19, 2023;
- b. approving the First Report of the Proposal Trustee dated April 14, 2023, and the activities of the Proposal Trustee referred to therein;
- c. authorizing the Applicant to execute and deliver to the Bank of Montreal (“**BMO**”) such credit agreements and other documents as may be reasonably required by BMO to increase the amount of credit to be made available by BMO to the Applicant under its current revolving lending facility (the “**Increased Credit Availability**”)
- d. Granting a charge in the aggregate amount of \$100,000 on the current and future assets, undertakings and properties of the Applicant of every nature and kind whatsoever (including all real and personal property), and wherever situate, including all proceeds thereof (collectively, the “**Property**”) in favour of Link & Associates Inc. (the “**Proposal Trustee**”), counsel to the Proposal Trustee and counsel to the Applicant (the “**Administration Charge**”);
- e. granting a charge in the aggregate of \$150,000 on the Property in favour of BMO as security for the Increased Credit Availability under the security previously granted by the Applicant to BMO (the “**DIP Charge**”);

- f. Directing all of the Company's former directors, officers, current and former employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and 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**") to forthwith advise the Company 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 Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") and/or Property in that Person's possession or control, and deliver said Records and/or Property to the Company.

The Stay Extension

20. The time for the Applicant to file a proposal and the corresponding stay of proceedings expires on June 19, 2023. Pursuant to the proposed Order, the Applicant is seeking the Stay Extension of 45 days, to and including August 4, 2023.

21. The Applicant has acted and continues to act in good faith and with due diligence in seeking to preserve its ordinary course business operations, address its liquidity issues, liaise with its stakeholders, implement the SISP, and develop a viable proposal for the benefit of all of its stakeholders.

22. The Stay Extension will allow the Applicant to maintain its ordinary course business operations while the SISP is conducted and enhance the prospects of the Applicant being able to make a viable proposal.

23. The Stay Extension will not materially prejudice any creditor.

24. The Proposal Trustee supports the granting of the Stay Extension.

The SISP Advisor and the SISP Advisor Engagement Agreement

25. The Company has engaged the SISP Advisor for the purposes of facilitating the SISP. The SISP Advisor has extensive commercial real estate experience, with direct knowledge of the La Salle Property, having previously been the listing agent for the sale of the La Salle Property.

26. Pursuant to the SISP Advisor Engagement Agreement, the SISP Advisor will perform real estate agent advisory services (collectively, the "**Services**") in connection with the SISP and the potential sale of the Company and the La Salle Property.

27. In consideration for providing the Services to the Company, the SISP Advisor is entitled to a commission of three percent (3.0%) on the La Salle Property and any co-operating real estate broker is entitled to a commission of one and one half percent (1.5%) on the sale.

28. The Applicants believe that the SISP Advisor's engagement and remuneration are appropriate given the SISP Advisor's experience, the breadth of the Services and the benefit expected to accrue to the Applicants and their stakeholders by virtue of the SISP Advisor's involvement in the SISP.

29. The Proposal Trustee is supportive of the SISP Advisor's engagement and the proposed approval of the SISP Advisor Engagement Agreement.

The SISP

30. The Applicant has developed the SISP, in consultation with the Proposal Trustee, for the purpose of soliciting interest in the purchase and sale of the Company as a going concern, which purchase would include the La Salle Property.

31. The SISP provides that the SISP Advisor, with the assistance of the Applicant and in consultation with the Proposal Trustee, will solicit offers for the Company and the La Salle Property.

32. The SISP provides an appropriate mechanism to further expose the La Salle Property to the market. The proposed SISP will be open and transparent and will be conducted by the SISP Advisor and supervised by the Proposal Trustee without interference by the Company to maximize value for all of the Company's creditors and stakeholders.

33. If approved, the SISP will commence on June 22, 2023, with an anticipated closing date of 30-days after court approval for the sale.

34. The Proposal Trustee is supportive of the SISP, and the timelines contemplated therein are appropriate in the circumstances.

OTHER GROUNDS:

35. The provisions of the BIA, including sections 50.4, 50.6, 62, 64.1, 64.2, 65.13, 69 and 183, and the inherent and equitable jurisdiction of the Court.

36. Rules 1.04, 1.05, 2.03, 3.02, 16, 17, 37 and 39 of the Ontario Rules of Civil Procedure, R.R.O 1990, Reg. 194, as amended and section 137(2) of the Courts of Justice Act, R.S.O. 1990, c. C. 43, as amended.

37. Such further and other grounds as counsel may advise and this honourable Court may permit.

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

- The Affidavit of John Karkoulis and the Exhibits thereto.
- The Second Report and the appendices thereto.

- Such further and other evidence as counsel may advise and this Court may permit.

Date: June 12, 2023

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TO: SERVICE LIST

IN THE MATTER OF LA SALLE MOTEL CO. (KINGSTON) LTD.

**PROPOSAL PROCEEDINGS
SERVICE LIST**

UPDATED: April 17, 2023

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IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT
R.S.C., 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LA SALLE MOTEL
CO. (KINGSTON) LTD., A CORPORATION INCORPORATED UNDER THE LAWS OF THE PROVINCE OF
ONTARIO

Estate/Court File No. 33-2929085

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Ottawa

NOTICE OF MOTION

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RCP-F 4C (September 1, 2020)

A

Estate/Court File No.: 33-2929085

**ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE)	Wednesday the 21 st day of
)	
JUSTICE KERSHMAN)	June, 2023

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C.
1985, c. B-3, AS AMENDED AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF LA SALLE MOTEL (KINGSTON) LTD., A
CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO**

**ORDER
(STAY EXTENSION AND SISP APPROVAL)**

THIS MOTION, made by La Salle Motel (Kingston) Ltd. (the “**Applicant**”), for an order pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”), was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion of the Applicant, the Affidavit of John Karkoulis sworn June 12, 2023 and the Exhibits thereto (the “**John Karkoulis Affidavit**”), the Second Report of Link & Associates Inc. in its capacity as Proposal Trustee of the Applicant (the “**Proposal Trustee**”) dated June __, 2023 (the “**Second Report**”), filed, and on reading the Applicant’s cash-flow statement, appended to the Second Report, and on hearing the submissions of counsel for the Applicant, counsel for the Proposal Trustee, and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Sandra Noe, filed.

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Sale and Investment Solicitation Process attached hereto as **Schedule "A"**, including without limitation, the Bidding Procedures set out therein (the "**SISP**"), or the Order of the Honourable Justice Kershman dated April 19, 2023 (the "**Order**"), as applicable.

EXTENSION OF THE STAY

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including August 4, 2023.

APPROVAL OF THE SISP ADVISOR'S ENGAGEMENT

4. **THIS COURT ORDERS** that the letter agreement dated June 6, 2023, among the Applicant and Janis Biro of Royal LePage (the "**SISP Advisor**") attached as **Exhibit "D"** to the John Karkoulis Affidavit (the "**SISP Advisor Engagement Agreement**"), is hereby approved.

APPROVAL OF THE SISP

5. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with the terms of this order) be and is hereby approved and the Applicant and the SISP Advisor, in consultation with the Proposal Trustee, are authorized and directed to carry out the SISP in accordance with its terms and the terms of this order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

6. **THIS COURT ORDERS** that the Applicant, the SISP Advisor and the Proposal Trustee and their respective assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their

duties under the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Applicant, the SISP Advisor or the Proposal Trustee, as applicable, as determined by this Court.

7. **THIS COURT ORDERS** that, notwithstanding anything contained in this order or in the SISP, neither the SISP Advisor nor the Proposal Trustee shall take Possession of the Business or the Property or be deemed to take Possession of the Business or the Property, including pursuant to any provision of the Cannabis Legislation or the Environmental Legislation.

PIPEDA

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* and any similar legislation in any other applicable jurisdictions, the Applicant, the SISP Advisor, the Proposal Trustee and each of their respective Assistants are hereby authorized and permitted to disclose and transfer to each Qualified Bidder personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (each a "**Transaction**"). Each Qualified 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 for the purpose of effecting a Transaction, and if it does not complete a Transaction shall return all such information to the Applicant, the SISP Advisor or the Proposal Trustee, as applicable, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Applicant, the SISP Advisor or the Proposal Trustee. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Applicant, the SISP Advisor or the Proposal Trustee or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Applicant, the SISP Advisor or the Proposal Trustee.

APPROVAL OF THE PROPOSAL TRUSTEE'S REPORTS, ACTIVITIES

9. **THIS COURT ORDERS** that the Second Report, and the activities of the Proposal Trustee referred to therein be and are hereby approved.

GENERAL

10. **THIS COURT ORDERS** that any interested party may apply to this Court to amend, vary or supplement this order, or for advice and directions with respect to the SISP, on not less than seven (7) days' notice to the Applicant, the Proposal Trustee, BMO, the SISP Advisor and any other party or parties likely to be affected by the order sought or upon such other notice as this Court may order.

11. **THIS COURT ORDERS** that this order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this order without the need for entry or filing.

Kershman J.

SALES AND INVESTMENT SOLICITATION PROCESS FOR THE LA SALLE PROPERTY

INTRODUCTION

1. On April 3, 2023, La Salle Motel (Kingston) Ltd. (the "**Company**") filed a notice of intention to make a proposal to its creditors (the "**NOI**") under the Bankruptcy and Insolvency Act, RSC 1985, c B-3, as amended (the "**BIA**"). The Company's proceedings under the BIA are referred to herein as the "BIA Proceedings". The BIA Proceedings will be supervised by the Ontario Superior Court of Justice (the "**Court**").
2. Link & Associates Inc. is the proposal trustee with respect to the NOI and the BIA Proceedings (in such capacity, the "**Proposal Trustee**").
3. The Company's only secured creditor is the Bank of Montreal ("**BMO**"). BMO has agreed to provide certain interim financing to Company during the BIA Proceedings pursuant to the order of the Court dated April 19, 2023.
4. On or before June 21, 2023, the Company will apply to the Court for an Order (the "**SISP Order**"), among other things, approving the sale and investment solicitation process set out herein (the "**SISP**"). Capitalized terms used herein are as defined in the SISP Order unless defined otherwise herein.
5. To assist with implementation of the SISP, the Company has engaged Janis Biro of Royal LePage to act as the SISP Advisor (the "**SISP Advisor**").
6. The SISP Advisor will develop a list of Known Potential Bidders (as defined below), communicate and meet with interested parties, prepare and distribute marketing materials, and manage the Data Room (as defined below).

SISP OVERVIEW

7. The purpose of the SISP is to solicit interest in, and opportunities for a sale of the Company's real estate and its hotel/motel and restaurant business operating assets.
8. The Company owns and operates a full-service hotel in Kingston, Ontario which operates under the Travelodge name along with separate (non-Travelodge) motel facilities and a full-service restaurant known as the Cavalier Room (collectively the "**Business**").
9. The Business operates from real property owned by the Company located at 2360 Princess Street, Kingston, Ontario (the "**La Salle Property**").
10. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a "**Person**") may

gain access to or continue to have access to due diligence materials concerning the La Salle Property and the Business, how bids involving the Business and/or the La Salle Property will be submitted to and dealt with by the Company and SISP Advisor, and how Court approval will be obtained in respect of any Transaction (as defined below).

11. As described below, the various deadlines herein may be extended by and at the discretion of the Company in consultation with the SISP Advisor and the Proposal Trustee. The Company will consider extending the various deadlines herein if it determines, in consultation with the SISP Advisor and the Proposal Trustee, that such an extension will generally benefit the Company's creditors and other stakeholders. The SISP Advisor shall generally conduct and oversee the SISP. If there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.

"AS IS, WHERE IS" BASIS

12. Any transaction involving the La Salle Property and/or the Business (in each case, a "**Transaction**") will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the SISP Advisor, Company, Proposal Trustee, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Final Agreement (as defined herein). The key dates pursuant to the SISP are as follows (capitalized terms in the chart below have the meaning ascribed in the SISP):

<u>Event</u>	<u>Date</u>
The Company's Application to the Court for Approval of the SISP	June 21, 2023
SISP Advisor to review, revise and update all previous marketing materials used in connection with the sale of the Company and La Salle Property and list the Company and La Salle Property for Sale using Multiple Listing Service (MLS)	By June 22, 2023
SISP Advisor to immediately contact all serious Buyers that expressed interest from the last sales process plus any additional serious Buyers that have subsequently emerged	As soon as practical and no later than June 25, 2023
SISP Advisor to circulate the updated and revised marketing information package to commercial brokerage and investment/development firms	As soon as practical and no later than June 25, 2023
SISP Advisor to schedule a "TOUR/INSPECTION DATE" for prospective and qualified clients to take place with cooperation of the Company and Proposal Trustee	On or before July 6, 2023
"OFFER DATE"	July 14, 2023

Acceptance of successful Offer	On or before July 18, 2023
Company's Application to the Court for Approval Order(s)	July , 2023
Closing of the Transaction	Within 30-days of court approved sale.

THE SISP PROCESS

A. Initial Solicitation of Interest

12. On court approval, the SISP Advisor will forthwith list for sale on MLS the La Salle Property and the assets of the Company necessary to continue to operate the Business as a going concern. The SISP Advisor, in consultation with the Proposal Trustee, may contact any Persons to solicit expressions of interest in a Transaction either before or after the granting of the SISP Order.

13. As soon as reasonably practicable and in any event by no later than June 25, 2022, in consultation with the Company and the Proposal Trustee the SISP Advisor will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have interest in a Transaction. Such list shall include all Persons who previously expressed an interest in the La Salle Property and/or the Business previously listed for sale, and shall also include both strategic and financial parties who may be interested in acquiring an interest in:

- a. the Company's combined operating and real estate assets pursuant to an asset purchase transaction which will contemplate operating the Business of the Company as a going concern (an "**Asset Bid**"); or
- b. a bid strictly on the La Salle Property only (a "**Land Bid**"). Concurrently, the SISP Advisor will prepare an initial offering summary (the "**Teaser Letter**") notifying Known Potential Bidders of the SISP and inviting the Known Potential Bidders to express interest in making an Asset Bid or Land Bid (each, a "**SISP Bid**").

15. By no later than June 25, 2023, the SISP Advisor, in consultation with the Company and the Proposal Trustee, shall distribute to the Known Potential Bidders and any other interested Persons the Teaser Letter, as well as a draft form of confidentiality agreement (the "**Confidentiality Agreement**") that shall inure to the benefit of the Person or Persons who make the Winning Bid (as defined herein) pursuant to this SISP. Copies of the Teaser Letter and Confidentiality Agreement shall also be provided to any appropriate Persons who becomes known to the SISP Advisor after the initial distribution of such documents.

16. Any Person who wishes to be deemed a Potential Bidder (as defined below) and proceed to execute a Confidentiality Agreement shall first contact the SISP Advisor for this purpose. The SISP advisor shall inform the Company and the Proposal Trustee of all Potential Bidders. In consultation with the Company and the SISP Advisor, the Proposal Trustee shall, in its sole discretion, determine whether such Person shall be permitted to become a Potential Bidder, based on:

- a. the identity of the Person, including its direct and indirect principals;
- b. the Person's financial capabilities to conclude a Transaction; and
- c. any other criteria the Proposal Trustee considers to be relevant.

17. Any Person whom the Proposal Trustee permits to become a Potential Bidder ("**Potential Bidder**") shall, upon executing a Confidentiality Agreement in form and substance satisfactory to the Company and the Proposal Trustee, be permitted to have access to the Data Room (as defined below) and become entitled to receive certain confidential information.

B. Due Diligence

18. The SISP Advisor shall provide each Potential Bidder with information, including access to an electronic data room established by the SISP Advisor by no later than June __, 2023 (the "**Data Room**"), that the SISP Advisor in its reasonable business judgment and in consultation with the Company and the Proposal Trustee, determines to be necessary for the Potential Bidder to evaluate a transaction involving a SISP Bid.

19. The SISP Advisor, in consultation with the Company and the Proposal Trustee, will prepare a confidential information memorandum ("CIM"), describing the opportunity to make a SISP Bid and shall deliver the CIM to each Potential Bidder as soon as practicable after such Person is deemed to be a Potential Bidder in accordance with this SISP.

20. The Company and the SISP Advisor shall coordinate all reasonable requests for additional information and due diligence access from Potential Bidders. Neither the Company nor the SISP Advisor will be obliged to furnish any information relating to the La Salle Property or the Business other than to a Potential Bidder.

21. The SISP Advisor, the Company and the Proposal Trustee make no representation or warranty as to the information contained in the CIM or otherwise made available pursuant to the SISP, including any information contained in the Data Room.

C. LOI Process

22. Any Potential Bidder who wishes to submit a SISP Bid must deliver a written, non-binding letter of intent (each, a "**LOI**") to the SISP Advisor at the address specified in and in accordance with Schedule "A" hereto so as to be received by the SISP Advisor not later than 5:00 p.m. (Eastern Standard time) on July __, 2023, or such other date or time as the Company may determine, in consultation with the SISP Advisor and the Proposal Trustee (the "**LOI Deadline**").

23. Following the LOI Deadline, all LOIs shall be reviewed by the Company, in consultation with the Proposal Trustee and the SISP Advisor.

24. An LOI shall be a qualified LOI (each, a "**Qualified LOI**") provided that it contains:
- a. a specific indication of the anticipated sources of capital for such Potential Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow the Company and the Proposal Trustee and their respective legal advisors, to make, in their reasonable business or professional judgment, a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a SISP Bid;
 - b. a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the principals of the Potential Bidder and its direct and indirect owners. The letter shall further disclose the relationship the Potential Bidders has to the Company or its directors or officers, including the identification of the Potential Bidder's direct and indirect owners and all of their principals;
 - c. an indication of whether the Potential Bidder wishes to tender an Asset Bid or a Land Bid;
 - d. in the case of an Asset Bid, it identifies:
 - i. the purchase price range (including any liabilities to be assumed by the Potential Bidder and any credit bid);
 - ii. whether the Asset Bid is *en bloc*, and any property expected to be excluded, and/or any additional assets desired to be included in the transaction;
 - iii. the structure and financing of the transaction (including, but not limited to, the sources of financing for the purchase price, preliminary evidence of the availability of such financing and the steps necessary and associated timing to obtain the financing and consummate the proposed transaction and any related contingencies, as applicable);
 - iv. the proposed treatment of employees of the Company;
 - v. the proposed treatment of any material contracts;
 - vi. any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
 - vii. any additional due diligence required or desired to be conducted by the Potential Bidder, if any;
 - viii. any conditions to closing that the Potential Bidder may wish to impose; and

- ix. any other terms or conditions of the Asset Bid which the Potential Bidder believes are material to the transaction;
- e. in the case of a Land Bid, it identifies:
 - i. the purchase price;
 - ii. the structure and financing of the transaction including all requisite financial assurance;
 - iii. any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated timeframe and any anticipated impediments for obtaining such approvals;
 - iv. any additional due diligence required or desired to be conducted by the Potential Bidder, if any;
 - v. any conditions to closing that the Potential Bidder may wish to impose; and
 - vi. any other terms or conditions of the Land Bid which the Potential Bidder believes are material to the transaction; and
- f. such other information as may be requested by the Company or the Proposal Trustee.

25. Any Potential Bidder who submits a Qualified LOI on or before the LOI Deadline, to the satisfaction of the Proposal Trustee in its sole discretion, shall be designated a "Qualified Bidder". In determining whether a Potential Bidder shall be designated a Qualified Bidder, the Proposal Trustee shall consult with the Company and the SISP Advisor.

26. The Proposal Trustee, in consultation with the Company and the SISP Advisor, may waive the strict compliance of one or more of the requirements specified above and deem any LOI to be a Qualified LOI, notwithstanding any noncompliance with the terms and conditions of this SISP.

27. In the event that no Person submits an LOI, or that no LOI qualifies as or is deemed to qualify as a Qualified LOI, or that no LOI is deemed commercially reasonable to the Company and the Proposal Trustee, the Company may, with the approval of the Proposal Trustee, terminate the SISP. If no Qualified LOIs are received by the LOI Deadline, the Company may, with the approval of the Proposal Trustee consider other forms of bids for the Company and/or La Salle Property. At any time during the SISP, the Company may, with the approval of the Proposal Trustee, determine that any bid is a Winning Bid and seek Approval Orders in respect of such Winning Bid from the Court.

D. Final Bid Process

28. The SISP Advisor may invite Qualified Bidders to conduct additional due diligence or otherwise make available to Qualified Bidders additional information not posted in the Data Room, meet with management of the Company, or arrange for inspections and site visits at the La Salle Property. The Data Room will include, among other things, a form of purchase agreement for use by Qualified Bidders in the case of an Asset Bid and or Land Bid.

29. Any Qualified Bidder may submit an Asset Bid or a Land Bid (each, a "**Final Bid**") to the SISP Advisor at the address specified in Schedule "A" hereto on or before 5:00 p.m. (Eastern Standard time) on July 14, 2023, or such later time and date as the Company may determine, in consultation with the Proposal Trustee and the SISP Advisor (the "**Final Bid Deadline**").

30. Final Bids shall be reviewed by the Company, in consultation with the Proposal Trustee and the SISP Advisor.

31. A Final Bid submitted as an Asset Bid shall be a "Qualified Asset Bid" in the event that:

- a. it includes a letter stating that the Asset Bid is irrevocable until the earlier of
 - i. the approval by the Court, and
 - ii. four (4) days following the Final Bid Deadline; provided, however, that if such Asset Bid is selected as the Winning Bid, it shall remain irrevocable until the closing of the transaction contemplated by the Winning Bid, as the case may be;
- b. it includes a duly authorized and executed purchase and sale agreement specifying all the consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto;
- c. it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- d. it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Trustee to allow the Trustee to make a reasonable determination as to the Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Asset Bid;
- e. it is not conditional on
 - i. the outcome of unperformed due diligence by the Qualified Bidder and/or

- ii) obtaining any financing capital and includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid;
 - f. it is not conditional upon any governmental or regulatory approval;
 - g. it fully discloses the identity of each Person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
 - h. it is accompanied by a refundable cash deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the SISP Advisor), in an amount equal to ten percent (10%) of the consideration to be paid in respect of the Asset Bid to be held and dealt with in accordance with this SISP;
 - i. it contains other information requested by the Proposal Trustee or the Company; and
 - j. it is received by no later than the Final Bid Deadline.
32. A Final Bid submitted as a Land Bid shall be a "Qualified Land Bid" in the event that:
- a. it includes definitive documentation, duly authorized and executed by the Qualified Bidder, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt if any, and details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction;
 - b. it includes a letter stating that the Land Bid is irrevocable until the earlier of
 - i. the approval by the Court, and
 - ii four (4) days following the Final Bid Deadline; provided, however, that if such Land Bid is selected as the Winning Bid, it shall remain irrevocable until the closing of the transactions contemplated by the Winning Bid, as the case may be;
 - c. it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
 - d. it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Proposal Trustee, to allow the Proposal Trustee to make a reasonable determination as to the Qualified Bidder's (and its direct and indirect owners and their principals)

financial and other capabilities to consummate the transaction contemplated by the Land Bid;

- e. it is not conditional on
 - i. the outcome of unperformed due diligence by the Qualified Bidder and/or
 - ii. obtaining any financing capital and includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Land Bid;
- f. it is not conditional upon any governmental or regulatory approval;
- g. it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Land Bid, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- h. it is accompanied by a refundable Deposit in the form of a wire transfer (payable to a trust account specified by the SISP Advisor) in an amount equal to ten percent (10%) of the consideration to be paid pursuant to the Land Bid, to be held and dealt with in accordance with this SISP;
- i. it contains other information requested by the Trustee or Company; and
- j. it is received by no later than the Final Bid Deadline.

33. All Qualified Asset Bids and Qualified Land Bids shall constitute "Qualified Final Bids". The Proposal Trustee, in consultation with the Company and the SISP Advisor, may waive the strict compliance of one or more of the requirements specified above and deem any Final Bid(s) to be a Qualified Final Bid and notwithstanding any non-compliance with the terms and conditions of this SISP.

E. Selection of Winning Bid

34. The Company shall review all Qualified Final Bids in consultation with the Proposal Trustee and with the SISP Advisor. The Company may, but shall have no obligation to, enter into a definitive agreement or agreements (each a "**Final Agreement**") with the Person or Persons who submitted the highest, best or otherwise most favourable Qualified Final Bid(s).

35. In the event that the Company enters into one or more Final Agreements on or before 5:00 p.m. (Eastern Standard time) on July 18, 2023, or such later time and date that the Company may determine, in consultation with the Proposal Trustee and SISP Advisor (the "**Final Agreement Deadline**"), any Qualified Bid so selected shall be a "Winning Bid". Any Qualified Bidder that makes a Winning Bid shall be a "Successful Bidder".

36. The Proposal Trustee will notify the Successful Bidder of the Final Agreement.
37. This SISP shall terminate in the event that:
- a. no Qualified Bidder submits or is deemed to have submitted a Qualified Final Bid;
 - b. the Company, in consultation with the Proposal Trustee and SISP Advisor, determines that none of the Qualified Final Bids should be accepted; or
 - c. a Final Agreement has not been entered into before the Final Agreement Deadline.
38. The highest Qualified Final Bid may not necessarily be accepted by the Company. The Company in consultation with the Proposal Trustee and SISP Advisor, reserves the right not to accept any Qualified Final Bid or to otherwise terminate the SISP. The Company, in consultation with the Proposal Trustee and SISP Advisor, further reserves the right to deal with one or more Qualified Bidders to the exclusion of other Persons, to accept a Qualified Final Bid or Qualified Final Bids for some or all of its property, Company or the Business, to accept multiple Qualified Final Bids and enter into multiple Final Agreements.

APPROVAL ORDERS

39. In the event that the Company enters into a Final Agreement, on or before 5:00 p.m. (Eastern Standard time) on July 18, 2023, the Company shall apply as soon as reasonably practicable thereafter, for orders (the “**Approval Orders**”) from the Court, in form and substance satisfactory to the Company and to the Proposal Trustee, approving the transaction contemplated by the Winning Bid and any necessary related relief required to consummate the transaction contemplated by the Winning Bid, subject to the terms of the Final Agreement.
40. An Approval Order shall become a "Final Order" upon satisfaction of the following conditions:
- a. it is in full force and effect;
 - b. it has not been reversed, modified or vacated and is not subject to any stay; and
 - c. all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving the Approval Order wholly operable.

CLOSING

41. Closing of the transactions contemplated in any Final Agreement shall occur within thirty (30) days of the date upon which the Approval Order(s) have become Final Orders, or as may be extended with the approval of the Proposal Trustee, in consultation with the SISP Advisor.

DEPOSITS

42. All Deposits paid pursuant to this SISP shall be held in trust by the SISP Advisor, in a non-interest bearing account. The SISP Advisor shall hold Deposits paid by the Successful Bidder in accordance with the terms outlined in this SISP. In the event that a Deposit is paid pursuant to this SISP and the Company elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the Person that paid such Deposit, the SISP Advisor shall return the Deposit and any interest accrued thereon to that Person.

43. In the event that the Successful Bidder defaults in the payment or performance of any obligations owed to the Company or the Proposal Trustee pursuant to any Final Agreement, the Deposit paid by the Successful Bidder, shall be forfeited to such party as liquidated damages and not as a penalty.

SCHEDULE “A”

Addresses for Deliveries Any notice or other delivery made to the Proposal Trustee pursuant to this SISP shall be made to:

SISP Advisor:

Janis Biro
 Royal LePage Realty Plus
 2575 Dundas Street W.
 Mississauga, ON
 L5K 2M6

Tel: 905.828.6550
 Fax: 905.828.1511
 Email: jbiro@royallepage.ca

Proposal Trustee:

Robert Link
 LINK & ASSOCIATES INC.
 Receivers + Trustees
 7050 Weston Road
 Suite #228
 Woodbridge, Ontario
 L4L 8G7

Tel: 416.737.6655
 Fax: 416.862.2136
 Email: rlink@linkassociates.ca

Lawyer for Proposal Trustee:

Pavle Masic
 Ricketts Harris LLP
 Barristers and Solicitors
 181 University Ave, Suite 800
 Toronto, ON M5H 2X7

Tel: 647.260.2201
 Fax: 647.260.2225
 Email: pmasic@rickettsharris.com

Deliveries pursuant to this SISP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SISP shall be deemed to be received when delivered to the relevant address, as identified above.

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT
R.S.C., 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LA SALLE MOTEL
CO. (KINGSTON) LTD., A CORPORATION INCORPORATED UNDER THE LAWS OF THE PROVINCE OF
ONTARIO

Estate/Court File No. 33-2929085

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Ottawa

ORDER

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File Number: 346075/000004

RCP-F 4C (September 1, 2020)

Tab 2

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF *THE BANKRUPTCY AND INSOLVENCY ACT*
R.S.C., 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF LA SALLE MOTEL CO. (KINGSTON) LTD., A
CORPORATION INCORPORATED UNDER THE LAWS OF THE
PROVINCE OF ONTARIO

AFFIDAVIT OF JOHN KARKOULIS
(Sworn June 12, 2023)

I, John Karkoulis, of the City of Kingston, in the Province of Ontario, MAKE OATH AND SAY THAT:

1. I am a shareholder and one of the directors of the La Salle Motel Co. (Kingston) Inc. (the "**Company**" or the "**Applicant**"). As such, I have personal knowledge of the Applicant and the matters deposed to in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this affidavit in support of a motion by the Applicant for an order (the "**Order**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"):

- a. abridging the time for and validating the service of the Applicant's notice of motion and the motion record and dispensing with service on any person other than those served;

- b. extending the time for the Applicant to file a proposal under the BIA, and extending the corresponding stay of proceedings (the "**Stay Extension**") to and including August 4, 2023;
 - c. authorizing the Applicant and Link & Associates Inc. (the "**Proposal Trustee**") to conduct a sale and investment solicitation process (the "**SISP**") substantially in the form attached at Schedule "A" to the Order;
 - d. approving the listing agreement dated June __, 2023 (the "**SISP Advisor Listing Agreement**"), among the Applicant and Janis Biro of Royal LePage. ("**Biro**" or the "**SISP Advisor**");
 - e. authorizing the Applicant, the Proposal Trustee, and the SISP Advisor in their conduct of the SISP, to disclose personal information about identifiable individuals, as necessary and on a confidential basis;
 - f. approving the Second Report to the Court of the Proposal Trustee, to be filed (the "**Second Report**") and approving the Proposal Trustee's activities set out therein; and
 - g. such further and other relief as this Honourable Court deems just.
3. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit that my daughter, Gina Karkoulis, previously affirmed in these proceedings (the "**Proposal Proceedings**") on April 17, 2023 (the "**First Karkoulis Affidavit**"). Attached as **Exhibit "A"** to this affidavit is copy of the First Karkoulis Affidavit (without exhibits).
4. The Applicant does not intend to waive any applicable privilege by any statement herein.

I. BACKGROUND

5. The Company owns the real property municipally known as 2360 Princess Street, Kingston, Ontario (the “**La Salle Property**”), along with the business that operates on the La Salle Property as "Travelodge Kingston La Salle Hotel" (the "**La Salle Hotel**").

6. My brother, Peter Karkoulis (“**Peter**”), and I are individuals residing in Kingston, Ontario. At all times, Peter and I have been and continue to be the officers and directors of the Company.

7. In or about 1967, Peter and I along with our now deceased brother, George Karkoulis (“**George**”), purchased the La Salle Motel and Cavalier Room in Kingston, Ontario. The ‘La Salle Motel’ would eventually become the La Salle Hotel.

8. Peter and I are the co-executors and trustees of George’s estate. By operation of the terms of George’s Will, after George died in 1995, Peter and I were to receive all of George’s shares, however the buy/sell agreement referred to in George’s Will was never finalized. Ever since George’s death, Peter and I have owned and operated the Company as shareholders, directors and officers.

9. Peter Karkoulis (“**Peter Jr.**”) is our nephew. He was recently the General Manager of the LaSalle Hotel. Given our ages (Peter is 92 and I am 96), Peter and I have not been actively involved in the day-to-day management of operations of the Company for years. This task was delegated to the General Manager.

II. UPDATE ON THE PROPOSAL PROCEEDINGS

10. Facing significant sales and cash challenges, the Company filed a Notice of Intention to Make a Proposal (the "**NOI**") on April 3, 2023 pursuant to section 50.4 of the BIA. Link & Associates Inc. was named as proposal trustee in respect of the NOI (the "**Proposal Trustee**").

Attached as **Exhibit "B"** to this affidavit is a copy of the Company's Certificate of Filing of a Notice of Intention to Make a Proposal.

11. With a view to advancing its restructuring efforts, the Company sought and, on April 19, 2023, obtained an order from the Court (the "**Stay Extension Order**"), among other things:

- a. extending the time for the Applicant to file a proposal under the BIA and extending the corresponding stay of proceedings to and including June 19, 2023;
- b. approving the First Report of the Proposal Trustee dated April 14, 2023, and the activities of the Proposal Trustee referred to therein;
- c. authorizing the Applicant to execute and deliver to the Bank of Montreal ("**BMO**") such credit agreements and other documents as may be reasonably required by BMO to increase the amount of credit to be made available by BMO to the Applicant under its current revolving lending facility (the "**Increased Credit Availability**")
- d. Granting a charge in the aggregate amount of \$100,000 on the current and future assets, undertakings and properties of the Applicant of every nature and kind whatsoever (including all real and personal property), and wherever situate, including all proceeds thereof (collectively, the "**Property**") in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Applicant (the "**Administration Charge**");
- e. granting a charge in the aggregate of \$150,000 on the Property in favour of BMO as security for the Increased Credit Availability under the security previously granted by the Applicant to BMO (the "**DIP Charge**");
- f. Directing all of the Company's former directors, officers, current and former employees, agents, accountants, legal counsel and shareholders, and all other

persons acting on its instructions or behalf, and 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**") to forthwith advise the Company 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 Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") and/or Property in that Person's possession or control, and deliver said Records and/or Property to the Company.

III. SISP ADVISOR AND SISP ADVISOR LISTING AGREEMENT

12. Subject to approval of the Court, the Company has agreed to retain Janis Biro of Royal LePage ("**Biro**" or "**SISP Advisor**") for the purpose of facilitating the SISP. Biro has extensive experience and background in commercial real estate. In particular, Biro has a wealth of experience in listing, marketing, advising buyers and sellers of commercial real estate in Ontario. Biro has previously marketed the La Salle Property for sale, which I believe makes her ideally suited to achieve a fair selling price in an efficient sales process. I attach a copy of Biro's affidavit sworn (without exhibits) in the Company's previous litigation with Peter Jr. as **Exhibit "C"** to this affidavit. That affidavit sets out Biro's history with the Company and attempts to sell the La Salle Property.

13. Pursuant to the Listing Agreement that Biro delivered to the Company on Tuesday, June 6, 2023, Biro will perform the duties, responsibilities, and services of a licenced real estate agent in Ontario (the "**Services**") in connection with the SISP and potential sale, transfer or disposition of all or part of the Applicant's property in one sale transaction.

14. In consideration for providing the Services to the Applicant, Biro is entitled to a commission of three percent (3.0%) of the sale price with one and a half percent (1.5%) commission for any participating or cooperating real estate agent for a potential buyer. Attached hereto as **Exhibit “D”** to this affidavit is a copy of the Listing Agreement. On court approval, the Company intends to sign back the Listing Agreement.

15. The Company believes that Biro’s engagement and remuneration are appropriate given her experience, the breadth of the Services and the benefit expected to accrue to the Company and its stakeholders by virtue of her involvement in the SISP.

16. The Proposal Trustee is supportive of Biro’s engagement and the proposal approval of the SISP Advisor Listing Agreement.

IV. THE SISP¹

17. In November of 2016, the Company engaged Biro to assist them with a possible sale of the La Salle Hotel and the La Salle Property.

18. For ease of reference, a detailed history of the sales process and Peter Jr.’s involvement in the process was set out in sworn statements delivered in previous court filings. Those court proceedings and originating documents are referenced and found as exhibits to the affidavit of Sandra Noe sworn April 17, 2023 (the “**Noe Affidavit**”), also filed in support of this motion.

19. In short, after several starts and stops and listings, Peter and I decided to move forward with our efforts to sell the La Salle Hotel and the La Salle Property in September 2021. We signed a fresh listing agreement with Biro.

¹ Capitalized terms used in this section and not otherwise defined have the meaning ascribed to them in the SISP.

20. On or about December 3, 2021, Peter and I agreed to the sale of the La Salle Hotel and the LaSalle Property to third-party purchaser 'Hao Chen in trust to be incorporated.' The Purchaser became 1000073686 Ontario Inc. (the "**Purchaser**" or "**686**").

21. The Agreement of Purchase and Sale (the "**APS**") was finalized and accepted on December 14, 2021.

22. The sale was scheduled to close on August 10, 2022.

23. For reasons previously described in the First Karkoulis Affidavit, the transaction did not close.

24. Following the filing of the NOI, the Applicant has developed the SISP in consultation with the Proposal Trustee and Biro. The SISP provides that Biro, with the assistance of the Applicant, will solicit interest in, and opportunities for, a sale of the La Salle Hotel and La Salle Property, in whole or in part. Specifically, the proposed SISP will solicit offers for: a sale of all, or substantially all, of the La Salle Hotel and La Salle Property as a going concern or otherwise. In the alternative, a sale of the La Salle Property only. Attached hereto as **Exhibit "E"** is a copy of the SISP.

25. The SISP is to be conducted in accordance with the timelines set out immediately below:

<u>Event</u>	<u>Date</u>
The Company's Application to the Court for Approval of the SISP	June 21, 2023
SISP Advisor to review, revise and update all previous marketing materials used in connection with the sale of the Company and La Salle Property and list the Company and La Salle Property for Sale using Multiple Listing Service (MLS)	By June 22, 2023
SISP Advisor to immediately contact all serious Buyers that expressed interest from the last sales process plus any additional serious Buyers that have subsequently emerged	As soon as practical and no later than June 25, 2023

SISP Advisor to circulate the updated and revised marketing information package to commercial brokerage and investment/development firms	As soon as practical and no later than June 25, 2023
SISP Advisor to schedule a "TOUR/INSPECTION DATE" for prospective and qualified clients to take place with cooperation of the Company and Proposal Trustee	On or before July 6, 2023
"OFFER DATE"	July 14, 2023
Acceptance of successful Offer	On or before July 18, 2023
Company's Application to the Court for Approval Order(s)	July , 2023
Closing of the Transaction	Within 30-days of court approved sale.

26. I am advised by the Proposal Trustee and Biro and believe the aforementioned SISP timelines are appropriate in the circumstances and will provide sufficient opportunity to solicit interest for a sale of the Company's assets and/or the La Salle Property.

27. I am advised by the Proposal Trustee and Biro that they will commence the SISP on June 22, 2023, as contemplated in the timelines set out above.

28. I believe that the SISP will result in a fair and equitable process that will appropriately canvass the market in order to maximize the value of the La Salle Hotel and/or the La Salle Property and recovery for the Company's stakeholders.

V. STAY EXTENSION

29. Since the filing of the NOI, the Company and its management team have been working diligently and in good faith with the Proposal Trustee, towards a formulation of a proposal to creditors.

30. As a result of the NOI, and unless an extension is granted, the Company must file a proposal on or before June 19, 2022 (the "**Filing Period**"). Despite the Company's diligence and good faith efforts, no proposal is currently ready for submission to creditors. Accordingly, absent an extension of the Filing Period, the Applicant will be deemed to have made an assignment in bankruptcy under the BIA.

31. Given the circumstances, the Company requires an extension of the Filing Period and the accompanying stay of proceedings afforded to it under the BIA. The proposed 45-day extension will allow the Company to continue to work with Biro, the Proposal Trustee, and its other stakeholders to substantially advance the SISP and develop a proposal.

32. In my view, an extension of the Filing Period is appropriate, because:

- a. The Company has acted and continues to act in good faith and with due diligence;
- b. The Company will likely be able to make a viable proposal if the extension of the Filing Period is granted; and
- c. the extension of the Filing Period will not materially prejudice any of the Company's creditors.

33. To date, I have not been made aware of any creditor of the Company intending to object to an extension of the stay of proceedings and the Filing Period.

VI. CONCLUSION

34. I believe the proposed Order is in the best interests of Company and its stakeholders. Further, I believe that the proposed Order is necessary at this time to ensure the Company's continued operation in the ordinary course of business and advance the purposes of the Proposal Proceedings, including the maximization of value for the benefit of the Company's stakeholders.

35. For the reasons expressed herein, I am of the view that the Company is acting in good faith and with due diligence in seeking approval of the SISP, an extension of the Filing Period, and the appointment of Biro as SISP Advisor under the proposed Order.

36. I make this affidavit in support of the Company's motion for the proposed Order and for no other or improper purpose.

SWORN REMOTELY by John Karkoulis at the City of Kingston, in the Province of Ontario, before me at the City of Maniwaki, in the Province of Quebec, on June 12, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely



Commissioner for Taking Affidavits
(or as may be)


JOHN KARKOULIS

Sandra Ann Noe, a Commissioner etc., Province of Ontario,
for Borden Ladner Gervais LLP, Barristers and Solicitors.
Expires May 18, 2025.

This is Exhibit “A” referred to in the Affidavit of John Karkoulis sworn remotely by John Karkoulis of the City of Kingston, in the Province of Ontario, before me at the City of Maniwaki, in the Province of Quebec, on June 12, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



commissioner for taking affidavits (or as may be)

Sandra Ann Noe, a Commissioner, etc., Province of Ontario,
for Borden Ladner Gervais LLP, Barristers and Solicitors.
Expires May 18, 2025.

Estate/Court File No. 33-2929085

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF *THE BANKRUPTCY AND INSOLVENCY ACT*
R.S.C., 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF LA SALLE MOTEL CO. (KINGSTON) LTD., A
CORPORATION INCORPORATED UNDER THE LAWS OF THE
PROVINCE OF ONTARIO

AFFIDAVIT

I, Gina Karkoulis, of the City of Kingston, in the Province of Ontario, MAKE OATH AND
SAY THAT:

1. I am the interim general manager of La Salle Motel Co. (Kingston) Inc. (the "**Company**" or the "**Applicant**") and daughter of one of its directors, John Karkoulis. I have served in this role since March, 2023. As such, I have personal knowledge of the Applicant and the matters deposed to in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. The Applicant does not intend to waive any applicable privilege by any statement herein. I swear this affidavit in support of a motion by the Applicant for an order (the "**Order**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"):

- a. abridging the time for and validating the service of the Applicant's notice of motion and the motion record and dispensing with service on any person other than those served;

- b. extending the time for the Applicant to file a proposal under the BIA, and extending the corresponding stay of proceedings (the "**Stay Extension**") to and including June 19, 2023;
- c. granting a super-priority charge in the aggregate amount of \$100,000 on the current and future assets, undertakings and properties of the Applicant of every nature and kind whatsoever (including all real and personal property), and wherever situate, including all proceeds thereof (collectively, the "**Property**") in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Applicant (the "**Administration Charge**");
- d. authorizing the Applicant to execute and deliver to the Bank of Montreal ("**BMO**") such credit agreements and other documents as may be reasonably required by BMO to increase the amount of credit to be made available by BMO to the Applicant under its current revolving lending facility (the "**Increased Credit Availability**"), and the Applicant is hereby authorized and empowered to perform its obligations thereunder and to make the borrowings permitted thereunder from BMO, as lender, in order to finance the Applicant's working capital requirements (including those of its operating facilities), these proposal proceedings, and other general corporate purposes and capital expenditures, provided that borrowing under such credit facility shall not exceed \$450,000.00, unless permitted by further order of this Court.
- e. granting a super-priority charge in the aggregate of \$150,000 on the Property in favour of BMO as security for the Increased Credit Availability under the security previously granted by the Applicant to BMO (the "**DIP Charge**");
- f. directing all of the Company's former directors, officers, current and former employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and 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**") to forthwith advise the Company 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 Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") and/or Property in that Person's possession or control, and deliver said Records to the Company; and

- g. approving the First Report to the Court of the Proposal Trustee, to be filed (the "**First Report**") and approving the Proposal Trustee's activities set out therein; and
- h. such further and other relief as this Honourable Court deems just.

BACKGROUND

3. The Company is a corporation duly registered pursuant to the laws of Ontario having its head office in Kingston, Ontario. Attached hereto as **Exhibit "A"** to this affidavit is a copy of the corporate profile report of the Company.

4. The Company owns the real property municipally known as 2360 Princess Street, Kingston, Ontario (the "**LaSalle Property**"), along with the business that operates on the LaSalle Property as "Travelodge Kingston LaSalle Hotel" (the "**LaSalle Hotel**").

5. Peter Karkoulis ("**Peter**") and John Karkoulis ("**John**"), are individuals residing in Kingston, Ontario. At all times, Peter and John have been and continue to be the officers and directors of the Company.

6. In or about 1967, Peter and John along with their now deceased brother, George Karkoulis ("**George**"), purchased the LaSalle Motel and Cavalier Room in Kingston, Ontario. The LaSalle Motel would eventually become the LaSalle Hotel. Attached hereto as **Exhibit "B"** to this affidavit is a copy of the Certificate of Incorporation and Articles of Amendment.

7. I am advised by my father John and verily believe to be true that, by operation of the terms of George's Will, after George died in 1995, Peter and John were to receive all of George's shares, however the buy/sell agreement referred to in George's Will was never finalized. Peter and John

are also the co-executors of George's estate. Ever since George's death, Peter and John have owned and operated the Company as shareholders, directors and officers. Attached hereto as **Exhibit "C"** to this affidavit is a copy of the shareholder registry.

8. Peter Karkoulis ("**Peter Jr.**") is George's son and Peter and John's nephew. He was recently the General Manager of the LaSalle Hotel. Given their advanced ages (Peter is 92 and my dad is 96), Peter and John have not been actively involved in the day-to-day management of operations of the Company for years. This task was delegated to the General Manager.

FINANCIAL POSITION AND NOI PROCEEDINGS

9. Peter and John started thinking about selling the business many years ago. In November of 2016, they engaged a real estate agent, Janis Biro ("**Biro**"), to assist them with a possible sale of the Company and the LaSalle Property.

10. For ease of reference, a detailed history of the sales process and Peter Jr.'s involvement in the process was set out in sworn statements delivered in previous court filings. Those court proceedings and originating documents are referenced and found as exhibits to the affidavit of Sandra Noe sworn April 17, 2023 (the "**Noe Affidavit**"), also filed in support of this motion.

11. In short, after several starts and stops and listings, John and Peter decided to move forward in an effort to sell the business and the La Salle Property in September 2021. They signed a fresh listing agreement with Biro.

12. On or about December 3, 2021, Peter and John agreed to the sale of the LaSalle Property along with the assets of the Company to third-party purchaser 'Hao Chen in trust to be incorporated.' The Purchaser became 1000073686 Ontario Inc. (the "**Purchaser**" or "**686**").

13. The Agreement of Purchase and Sale (the “**APS**”) was finalized and accepted on December 14, 2021.
14. After a lengthy due diligence period, the sale was scheduled to close on August 10, 2022.
15. As set out in the Noe Affidavit, Peter Jr. commenced legal proceedings on August 5, 2022 against the Company, John and Peter and obtained an *ex parte* order permitting Peter Jr. to register a Certificate of Pending Litigation (“**CPL**”) against the title of the La Salle Property and barring the Company from encumbering or otherwise dealing with the La Salle Property.
16. As a result of the litigation that followed (the Company tried unsuccessfully to have the CPL lifted in order to close the sale transaction to 686), various members of the family became involved with the Company to assist my dad (John), and my uncle (Peter) with reviewing various Company records, files, and finances. At the time (the Fall of 2022), Peter Jr. was still employed by the Company as its General Manager.
17. On January 19, 2023, the Court dismissed the Company’s motion to lift the CPL. As a result, the Company could not close the sale transaction with 686 and no further extensions were given after January 31, 2023.
18. In or around this time, I am advised by John and verily believe it to be true that Peter Jr. came to my dad and advised him that the Company was unable to pay a large invoice from one its food suppliers and told John that he needed to put more money into the business account.
19. For ease of reference, beginning in December 2022 and over the course of the first few months of 2023, both Peter and John deposited their own personal funds into the Company to help the Company meet its obligations as they became due (and overdue). Those obligations included payment of urgent expenses and legal fees associated with the litigation with Peter Jr.

20. However, I am advised by John and do verily believe that, soon after he and Peter deposited the \$110,000, Peter Jr. came to John and asked him for funds to be deposited in the Company's business account. Therefore, John borrowed \$100,000 from his wife (who has her own account with some money that she had inherited from an uncle of hers in Greece). She transferred the money to John so he could use it temporarily to pay outstanding expenses of the Company. Attached hereto as **Exhibit "D"** to this affidavit is a copy of the transfer shown from my mother's account. The handwritten explanatory notes on the documents are mine (at my mother's direction). John did not know how much money was needed so he deposited all of it.

21. I am advised by John and I verily believe it to be true that he gave Peter Jr. the cheque for \$100,000 and Peter Jr. deposited the cheque in the business account.

22. I am advised by Peter and John and verily believe it to be true that in February 2023 they made the decision to stop all dividend payments to shareholders. The decision was made after the Company bounced a large cheque to a supplier in January.

23. I am advised by John and verily believe it to be true that Peter Jr. was the person who issued the dividend cheques twice a month and was told to stop issuing the dividends to everyone (starting February) since the Company had no money to operate the business, purchase supplies and food and pay the employees.

24. Later, when John believed that the Company had more money in the business account, he withdrew \$90,000 of the \$100,000 previously deposited to return to my mother. John left \$10,000 in the account so that he and Peter Sr. contributed an equal \$60,000 (because, as set out above, John and Peter had each early deposited \$50,000 and \$60,000, respectively, in December 2022 to pay bills).

25. Peter Jr. was still the General Manager at the time that John withdrew the \$90,000, and both Peter and John have advised me that they were completely unaware of the large amount of outstanding bills and tax arrears owed by the Company. Both Peter and John told me that they were under the assumption that the finances were under control. Neither Peter or John know or understand how to access the computer records and credit cards statements. As it was later discovered, the Company was three (3) months behind in payments at the time, including a large bill still owing for HST for Q4 of 2022.

26. On February 15, 2023, 686 commenced an action against the Company and its directors for, among other things, specific performance of the Sale Transaction. Peter Jr. was included as a defendant in those proceedings.

27. On March 15, 2023, the Company terminated Peter Jr.'s employment.

28. The Company immediately inserted members of John's and Peter Sr.'s family to attend the hotel to assist with the business and to work through the Company records, including assisting with the operations of the business.

29. At around this time, I was appointed as interim general manager of the hotel to assist in the business operations of the Company. I had been the General Manager of the business for years prior to Peter Jr. taking over and I am quite familiar with the responsibilities required to do the job. Since my appointment, I have been dealing with many of the Company's creditors. For example, I have been informed by almost all of the Company's suppliers that they will no longer extend credit to the Company. Fortunately, most have agreed to continue supplying the business on a "cash-on-delivery" (C.O.D.) or pre-payment basis. This has been a cumbersome process that requires me to be onsite for most of the day, everyday. Finally, it has come to our attention that hydro service provider is now asking for a three (3) month security deposit, which is over \$30,000.

30. Some suppliers deliver at 7:00 a.m., so I am often driving back and forth to the business late at night to prepare payments. This arrangement has severely impacted my personal business as a licenced real estate broker. I have lost clients due to the demands on my presence at the business - whether it is accounting or hosting in the restaurant or assisting at the hotel front desk. I have also had to pay many suppliers personally as they are not set up for direct payment and they will no longer accept cheques.

31. My sister Maggie Karkoulis ran the accounting for an international organization for many years and has assisted me with implementing a proper accounting program at the business, as there was not one in place in order to monitor the bills and cashflow. I am now recording all supplier invoices on an accounting system (that was already at the property but had never been used) so that we can more closely monitor costs and billing.

32. As I previously indicated, I am a real estate broker with Chestnut Park and, unfortunately, I have had to take a temporary leave from my full-time job in order to assist my father and uncle. As a result of my previous 20 years of experience as the General Manager of the hotel, I am the only member of the family with the knowledge and expertise to get things back on track so that a permanent General Manager can be brought in to continue the work.

33. At the hotel, the Company runs a small restaurant. It has been a local establishment for as long as I can remember. When I arrived in mid-March, the restaurant needed a thorough clean and the prices on the menus changed (as they had not been changed in years). I reviewed and analyzed restaurant sales by hour and have reduced restaurant hours to times that bring in the most business.

34. In addition to taking over the accounting, I am also hosting in the restaurant for breakfast, lunch, and dinner to keep labour costs down and am also assisting with the hotel front desk.

35. On March 21, 2023, Peter Jr.'s mother and George's widow, Andrea Karkoulis ("**Andrea**") by her litigation guardian Valerie Demitt (Andrea's daughter and Peter Jr.'s sister) commenced legal proceedings against the Company, Peter and John and sought an urgent case conference to schedule, among other things, the hearing of an urgent motion for an order reinstating monthly payments that were previously cancelled by Peter and John.

36. Andrea is 88-years old and by statements made by Valerie in her supporting affidavit, alleges that Andrea suffers from dementia. Regardless of how these monthly payments to Andrea have been (or continue to be) characterized, I am advised by Peter and John that they were cancelled in February 2023.

37. On March 28, 2023, counsel for Andrea and counsel for the Company attended an urgent case conference before the Honourable Madam Justice Williams and it was adjourned to April 6, 2023.

38. On March 28, 2023, Peter Jr. brought another action against the Company and its directors for wrongful dismissal.

39. After review and analysis by members of the family and in consultation with Peter and John, it was determined that the Company's business has suffered significantly over the years due to poor management and, more recently, the litany of civil litigation described above. This has resulted in a significant deterioration in the Company's working capital. The only significant asset of the Company is the LaSalle Property and it cannot be sold nor can the Company refinance the LaSalle Property to fund its operations.

40. In light of its significant cash challenges, the Company filed a Notice of Intention to Make a Proposal (the "**NOI**") on April 3, 2023, pursuant to section 50.4 of the BIA (the "**Proposal Proceedings**").

41. Link & Associates Inc. was named as proposal trustee in respect of the NOI (the "**Proposal Trustee**"). A copy of the Company's Certificate of Filing of a Notice of Intention to Make a Proposal can be found at Exhibit "K" of the Noe Affidavit.

42. BMO is the Company's only secured lender and, as of April 3, 2023, was owed approximately \$896,694.15 plus interest and costs and has only nominal remaining room to borrow under its existing credit facilities. Attached hereto as **Exhibit "E"** to this affidavit is a copy of BMO's current lending letter of June 18, 2020. Attached hereto as **Exhibit "F"** to this affidavit is a copy of the Company's list of creditors with claims of \$250 or more as of filing the NOI (the "**Creditors List**"), which was prepared by the Company in consultation with the Proposal Trustee.

43. According to the Creditors List, as of the date of the NOI filing, the Company owed approximately \$528,650.77 to its unsecured creditors and approximately \$120,000 to the Canada Revenue Agency ("**CRA**") for unpaid HST.

BOOKS, RECORDS AND PROPERTY OF THE COMPANY

44. As previously stated, John, Peter, Maggie, and I have started working through the books and records and financials of the Company. While we did our best to piece together the current state of affairs, there is missing information, receipts, invoices, bank records. Once the Proposal Trustee was engaged, we worked with the Proposal Trustee to develop a projected 13-week cashflow (discussed in more detail below) but there is missing information. The Company requires an order directing all persons who may be in receipt of various Company records to return those

records to the Company to allow it to prepare a more complete, accurate and fulsome financial assessment as well as to provide accurate information to the Proposal Trustee.

ADMINISTRATION CHARGE

45. The Applicant seeks the Administration Charge to secure the fees and disbursements of the Proposal Trustee, along with its counsel, and the Applicant's counsel, incurred in connection with the Proposal Proceedings, up to a maximum of \$100,000. The Administration Charge is proposed to have first-ranking super-priority over all other charges and encumbrances, including the DIP Charge.

46. The Applicant requires the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the Proposal Proceedings. Each of the beneficiaries of the Administration Charge will have distinct roles in the Proposal Proceedings.

47. The quantum of the proposed Administration Charge was estimated by the Applicant with the assistance of the Proposal Trustee, and in consultation with BMO. I believe that the Administration Charge is fair and reasonable in the circumstances. I understand that the Proposal Trustee supports the Administration Charge and am unaware of any party who opposes it.

EXTENSION OR INCREASE TO CURRENT BMO CREDIT FACILITY

48. Attached as **Exhibit "G"** to this affidavit is a projected 13-week cashflow statement that Company has prepared with the assistance of the Proposal Trustee for the period from the week ending April 7, 2023, to the week ending July 7, 2023 (the "**Cashflow Projection**"). It is projected that during the period covered by the Cashflow Projection, the Company will require approximately \$150,000 of additional liquidity (the "**Liquidity Shortfall**"), over and above its current borrowing limits under its existing facility with BMO.

49. BMO has agreed in principle to provide an increase to the existing facility from \$300,000 up to a maximum of \$450,000 to cover the Liquidity Shortfall. A draft Letter of Agreement – Amendment is attached as **Exhibit “H”** to this affidavit. Formal bank approval may not be in place until as late as the first week of May. It is anticipated that it will be approved but not guaranteed until there is a formal credit approval. However, based on the Cashflow Projection, the increased funding will not be required until May 12. The Company and BMO may require further amendments to the letter, which is reflected in the language of the draft Order.

50. BMO requires a debtor-in-possession charge (“**DIP Charge**”) to secure the increased credit availability under the Letter of Agreement – Amendment, which will be subordinate to the proposed Administration Charge but would rank in priority to all other charges and encumbrances.

STAY EXTENSION

51. Since the filing of the NOI, the Company has been working diligently and in good faith with the Proposal Trustee towards a restructuring and formulation of a proposal to creditors.

52. As a result of the NOI, and unless an extension is granted, the Company must file a proposal on or before May 3, 2023 (the “**Filing Period**”). Despite the Company’s diligence and good faith efforts, no proposal is currently ready for submission to creditors. I am advised by Mr. Dutrizac that, accordingly, absent an extension of the Filing Period, the Applicant will be deemed to have made an assignment in bankruptcy under the BIA.

53. Given the circumstances, the Company requires an extension of the Filing Period and the accompanying stay of proceedings afforded to it under the BIA. The proposed 45-day extension will allow the Company to continue to work with the Proposal Trustee, BMO and its other stakeholders to substantially advance a sales and investment solicitation process (“**SISP**”) that will

be brought back before the court for approval and to develop a proposal. An open, transparent, court supervised sale of the La Salle Property is, in my view, making the best of a very litigious and expensive set of circumstances. More details on the proposed process and SISP will follow.

54. In my view, an extension of the Filing Period is appropriate, because: (a) the Company has acted and continues to act in good faith and with due diligence; (b) the Company will likely be able to make a viable proposal if the extension of the Filing Period is granted; and (c) the extension of the Filing Period will not materially prejudice any of the Company's creditors.

55. To date, I have not been made aware of any creditor of the Company intending to object to an extension of the stay of proceedings and the Filing Period.

CONCLUSION

56. I believe the proposed Order is in the best interests of the Company and its stakeholders. Further, I believe that the proposed Order is necessary at this time to ensure the Company's continued operation in the ordinary course of business and advance the purposes of the Proposal Proceedings, including the maximization of value for the benefit of the Company's stakeholders.

57. For the reasons expressed herein, I am of the view that the Company is acting in good faith and with due diligence in seeking an extension for the Filing Period, the Court-ordered charged contemplated under the proposed Order, and the increase to the Company's current facility with BMO.

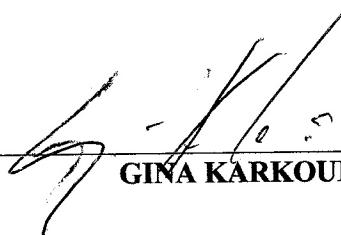
58. I make this affidavit in support of the Company's motion for the proposed Order and for no other or improper purpose.

SWORN by Gina Karkoulis at the City of Kingston, in the Province of Ontario, before me on April 17, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

CHRIS SHOREY



GINA KARKOULIS

IN THE MATTER OF *THE BANKRUPTCY AND INSOLVENCY ACT* R.S.C., 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LA SALLE MOTEL CO. (KINGSTON)
LTD., A CORPORATION INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ONTARIO

<p><i>ONTARIO</i></p> <p>SUPERIOR COURT OF JUSTICE IN BANKRUPTCY AND INSOLVENCY</p> <p>Proceeding commenced at Ottawa</p>	
<p>AFFIDAVIT</p>	
<p>BORDEN LADNER GERVAIS LLP 100 Queen Street, Suite 1300 Ottawa ON K1P 1J9</p> <p>Jason Dutrizac (50004T) jdutrizac@blg.com 613.787.3535</p> <p>Lawyers for the Applicant / Moving Party</p>	

This is Exhibit “B” referred to in the Affidavit of John Karkoulis sworn remotely by John Karkoulis of the City of Kingston, in the Province of Ontario, before me at the City of Maniwaki, in the Province of Quebec, on June 12, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Sandra Ann Noe, a Commissioner, etc., Province of Ontario,
for Borden Ladner Gervais LLP, Barristers and Solicitors.
Expires May 18, 2025.



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 11 - Kingston
Court No. 33-2929085
Estate No. 33-2929085

In the Matter of the Notice of Intention to make a proposal of:

LA SALLE MOTEL CO. (KINGSTON) LTD.

Insolvent Person

LINK & ASSOCIATES INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 03, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 03, 2023, 09:35

E-File/Dépôt Electronique

Official Receiver

Place Bell Canada, 160 Elgin Street, 11th Floor, Suite B-100, Ottawa, Ontario, Canada, K2P2P7, (877)376-9902

Canada 

This is Exhibit “C” referred to in the Affidavit of John Karkoulis sworn remotely by John Karkoulis of the City of Kingston, in the Province of Ontario, before me at the City of Maniwaki, in the Province of Quebec, on June 12, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Sandra Ann Noe, a Commissioner, etc., Province of Ontario,
for Borden Ladner Gervais LLP, Barristers and Solicitors.
Expires May 18, 2025.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

PETER KARKOULIS

Plaintiff/
Respondent

and

**PETER KARKOULIS, JOHN KARKOULIS, and
LA SALLE MOTEL CO. (KINGSTON) LTD.**

Defendants/
Moving Parties

**AFFIDAVIT OF JANIS BIRO
(Sworn September 2, 2022)**

I, Janis Biro, of the Town of Oakville, Province of Ontario make oath and say as follows:

1. I am the commercial real estate agent retained by the Defendants and Moving Parties in this proceeding and as such, have knowledge of the matters to which I hereinafter depose, except where stated to be on information and belief, in which case I state the source of my information and verily believe such information to be true.

2. I have been a commercial realtor since 1988 with nearly thirty-five (35) years in the Ontario commercial market. I have reviewed the affidavit of the Plaintiff and Respondent, Peter Karkoulis, which was sworn August 5, 2022 (the “**Karkoulis Affidavit**”) and state that he failed to disclose all relevant and material facts in support of the relief that he ultimately obtained.

3. Accordingly, I provide this affidavit in support of a motion to set aside the *ex parte* order of the Honourable Mr. Justice Mew dated August 5, 2022 (the “**Ex Parte Order**”), wherein a certificate of pending litigation (“**CPL**”) was issued with respect to the real property municipally known as 2360 Princess Street, Kingston, Ontario (the “**LaSalle Property**”).

4. On September 29, 2016 I began discussions with the Defendants Peter Karkoulis Sr. (“**Peter Sr**”), John Karkoulis (“**John**”), and La Salle Motel Co. (Kingston) Ltd. (the “**Company**”), to sell the property known as 2360 Princess Street, Kingston Ontario, operating as “Travelodge Kingston LaSalle Hotel and Motel” (the “**LaSalle Hotel**”) and the LaSalle Property. After lengthy discussions regarding the disposition of this property, the first listing agreement with the Defendants commenced on January 6, 2017.

5. On review of my physical and electronic files I did not locate the executed contract but have a copy of the MLS listing and an email from Eric de Maat (“**de Maat**”), attaching a copy of the executed listing agreement. de Maat wrote:

... Please find attached the listing agreement, signed by both Peter Karkoulis Sr. and John Karkoulis. After much internal family discussion, Peter Sr. and John have confirmed their decision to proceed with the sale of their business and property. I personally spoke with Peter Sr. yesterday and with John today and both gave me their go ahead to send the signed agreement to you on their behalf.

As you will see, we’ve had to change the commencing date to reflect the lengthy internal discussion among Peter Sr., John and Pete Jr. following the original signatures on Nov 28/16. We’ve also removed the text having to do with a sign on the lawn because the owners do not wish to have a sign on the property as they wish to conduct the sale process in as discrete a manner as reasonably possible so as not to disrupt the current business. Also, note that small adjacent piece of property beside Augusta Dr., owned by Pete Karkoulis Jr., is not part of the sale.

Attached hereto as **Exhibits “A”** and “**B**” to this affidavit are copies of the email exchanges between de Maat and I, dated January 5, 2017, and a screenshot of the original MLS listing dated January 6, 2017, respectively.

6. In preparation for that initial listing and the buyer information package, I spent a considerable amount of time investigating the state of the business and property. I contacted representatives of the City of Kingston regarding the current zoning to determine the highest and best use and the redevelopment potential of the LaSalle Property (which information was included in the information package). I reviewed the financial statements provided by Peter Jr to determine the cash flow for a potential “holding income” and investment. A photographer was hired for drone

shots, I compiled and vetted all pertinent information to ensure its accuracy and created the information package for distribution to potential buyers. Once all information was compiled, it was determined that the best approach to market this property would be a redevelopment opportunity with holding income from the existing business'. A copy of the information package is attached hereto as **Exhibit "C"** to this affidavit. All information and marketing material was approved Peter Sr, John and Peter Jr.

7. Contrary to various statements made by Peter Jr. in the Karkoulis Affidavit – the initial listing (and all subsequent listings) were very real. The intention of the Defendants has always been clear, they are getting very old, now 91 and 95. Their spouses and children do not want to operate or have any part of this business and therefore the intent was always to sell the business and the property. At no time were we 'testing the market' to get an idea of value. We already established the value through extensive research of current value, redevelopment opportunity, market conditions and dialogue with the family. For example, in early November 2016, before the initial listing agreement, de Maat and I went back and forth on emails regarding valuation and Peter Jr. was involved. On November 9, 2016, de Maat wrote:

Hi Janis,

I just got off the phone with Pete Jr. Here's an update on the three items I needed to get for you:

1. Property Taxes: Pete believes that they pay approx. \$10,000 per month in property taxes but he will check this morning and send it to me
2. Crystallizing of the value of the property: Pete will contact their accountants to see if this was done. He would have remembered it if it had been done in 2013, so if it was done, he believes that it could have been done in 1994. He will confirm one way or another
3. Management Compensation: Pete Jr. was paid the \$81k in management remuneration you see listed on Pg. 2 of the financials. Each of the three Owners was paid \$7k/mth for a total of \$252k (\$7 x 3 x 12) you see listed as Dividends paid on Pg. 3. If you feel that the total of \$333k is excessive for a business such as this, maybe we can move some into the Income line to justify a slightly higher valuation. I'll leave that up to you to determine

I've agreed with Pete that he and I will arrange a conference call with himself, Peter Sr. and John at around noon tomorrow to discuss your Valuation Report and Listing Agreement. Let me know if you wish to be part of that to be able to walk the guys through the two documents so that everything is explained the way that you'd like and fully transparent, including timeline and commissions, etc.

Let me know if you require anything else. I'll send you any info that I get from Pete Jr. when I get it. I'll be in the car or in meetings until mid afternoon but may be able to answer a quick call if you need anything. Thanks.

Attached hereto as **Exhibit "D"** to this affidavit is a copy of my email exchange with de Maat dated November 9, 2016.

8. During the first listing period, I showed the property to at least eight (8) potential buyers and I presented three offers to Peter Sr, John and Peter Jr. The offers received/presented in 2017 came in between \$7 - \$8.4 Million. Ultimately, Peter and John decided against signing back any of the offers back and I was told by both Peter Sr and John that they wanted to give Peter Jr. another chance to purchase the business and the property.

9. In October of 2017, the listing agreement was renewed to December 2017. Attached hereto as **Exhibit "E"** to this affidavit is a copy of the second listing agreement dated October 18th, 2017 to December 18, 2017. No further offers were entertained during this period.

10. Before the third and final listing agreement, which was executed on September 3th, 2021, Peter Jr. asked for my help on a potential sale in May/June 2019. Peter Jr. and I exchanged emails on the potential purchaser and the terms of a new exclusive listing that would run 35 days. However, when I reviewed the proposed agreement it was not signed, and did not have the name of the buyer. At that time I advised Peter Sr, John and Peter Jr. that this was not a "real offer" and therefore did not require attention. Attached hereto as **Exhibit "F"** to this affidavit is a copy of my email exchange with Peter Jr.

11. On July 25, 2021, I was contacted by Peter Sr's family who told me that Peter Sr. (91 years old) was in grave health and that both Peter Sr. and John wanted to sell the property to make sure

their spouses would be secure on their eventual demise. I then spoke with the Peter Sr and John directly and they both agreed that Peter Jr was unable to obtain any financing and therefore would not be able to purchase the land and business. Due to the age of the Defendants and the dire complications of Peter Sr's health, they could not wait any longer for Peter Jr to come up with the funds and wanted to proceed immediately.

12. On September 3, 2021, Peter Sr. and John executed the third and final listing agreement with me. We listed the property as a 7.55 acre re-development site with a holding income and updated the buyer's information package. Attached hereto as **Exhibits "G" and "H"** are copies of the third listing agreement and revised buyer's information package.

13. At around this time, I had a conversation with Peter Jr. about the sale of the property. He told me that he had been to the Bank of Montreal and the Business Development Bank of Canada for financing and that he was unable to secure financing. These statements seem to line up with his sworn statements in the affidavit he filed in these proceedings. He also told me that he approached a private lender for funding and that did not work either. In our discussion, Peter Jr. told me that after many years of trying, he has not been able to secure any financing to purchase the property or to buy his uncles shares. He went on to tell me that even though there is no existing mortgage on the property, all of the banks and private lenders were not interested to extending financing to him.

14. Due to the poor condition of the existing motel and crumbling exterior of the hotel, the property requires extensive repairs. This means that any potential buyers would need to have extensive funds not only to close the deal, but soon after closing, to invest hundreds of thousands in obvious and much needed repairs.

15. During the final marketing process, we attracted numerous interested and qualified buyers. I had three (3) separate site tours with multiple showings. To make sure that any deal would be "air tight", John and Peter Sr. hired lawyers to draft the Letter of Intent, the Agreement of Purchase and Sale and all subsequent amendments for the deal. We had seven (7) buyers who submitted a

letters of intent starting in mid-October 2021. Of the seven (7) buyers, three (3) were chosen to move forward and submit a formal Agreement of Purchase and Sale.

16. A final agreement was accepted two (2) months later, December 14, 2021, with a projected closing date of May 11, 2022. Peter Jr. was aware of the entire process and I am advised by David Doyle and verily believe it to be true that Mr. Doyle requested for Peter Jr. to submit an offer before the final agreement was executed – but Peter declined.

17. Dating back to late 2016, Peter Jr. has been involved in providing information. I initially worked with Eric de Maat and Peter Jr. on gathering information for the buyer, but in 2021, I was only to rely on Peter Jr. (as Eric was not available). Peter Jr. was the General Manager for the property and had all of the information for the due diligence package that was agreed to and required to be delivered in a timely fashion to the Buyer.

18. Unfortunately, Peter Jr., chose to be difficult or simply not cooperate. Due to his lack of cooperation and management of the Sellers obligation for remediation of an oil tank, this deal had to be amended three (3) times to extend the closing due to the Sellers delays. Ultimately we did not receive all of the information including an inventory count which has never been completed. The Buyers however, have agreed to close the deal basically on an “as is” basis and sort through the management issues after closing.

19. After many years of starts, stops and delays to give Peter Jr an opportunity to Purchase this property, the Defendants, have entered into an agreement with a serious and viable entity who still wants to purchase the property and the business. Given all of the stress this has caused the very elderly Defendants and their families, this current transaction should, in my view, proceed unimpeded and allow time for the Defendants to deal with their upcoming and necessary estate planning, Peter Sr. is gravely ill.

Sandra Ann Noe, a Commissioner, etc., Province of Ontario,
for Borden Ladner Gervais LLP, Barristers and Solicitors.
Expires May 18, 2025.

PETER KARKOULIS

Plaintiff / Responding Party

-and- **PETER KARKOULIS, et al**
Defendants / Moving Parties

Court File No. CV-22-00000223

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at Kingston

AFFIDAVIT OF JANIS BIRO

BORDEN LADNER GERVAIS LLP

World Exchange Plaza

100 Queen Street, Suite 1300

Ottawa ON K1P 1J9

Kathleen McDormand LSO # 46367A

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Box 368

Lawyer for the Defendants / Moving Parties

Email for service: dadams@cswan.com

File Number: 346075/000001

RCP-E 4C (September 1, 2020)

This is Exhibit “D” referred to in the Affidavit of John Karkoulis sworn remotely by John Karkoulis of the City of Kingston, in the Province of Ontario, before me at the City of Maniwaki, in the Province of Quebec, on June 12, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Sandra Ann Noe, a Commissioner, etc., Province of Ontario,
for Borden Ladner Gervais LLP, Barristers and Solicitors.
Expires May 18, 2025.



Form 520

for use in the Province of Ontario

Listing Agreement - Commercial

Seller Representation Agreement

Authority to Offer for Sale



COMMERCIAL NETWORK

This is a **Multiple Listing Service® Agreement**  OR This Listing is **Exclusive** 
 (Seller's Initials) (Seller's Initials)

BETWEEN:**BROKERAGE:** Royal LePage Realty Plus, Brokerage(the "Listing Brokerage") Tel. No. (905) 334-8555**SELLER:** La Salle Motel Co. (Kingston) Ltd. (the "Seller")In consideration of the Listing Brokerage listing the real property **for sale** known as 2360 Princess StKingston ON K7M 3G4 (the "Property")the Seller hereby gives the Listing Brokerage the **exclusive and irrevocable** right to act as the Seller's agent,**commencing** at 12:01 a.m. on the 22 day of June, 2023,**until** 11:59 p.m. on the 31 day of August, 2023 (the "Listing Period"),

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate and Business Brokers Act, 2002, (REBBA), **if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials.** }


 (Seller's Initials)
to offer the Property **for sale** at a price of:Nine million seven hundred fifty thousand and 00/100 Dollars (\$CDN) 9,750,000.00

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the property.


 (Seller's Initials)
1. DEFINITIONS AND INTERPRETATIONS: For the purposes of this Agreement ("Authority" or "Agreement"):

"Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Real Estate and Business Brokers Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

2. COMMISSION: In consideration of the Listing Brokerage listing the Property for sale, the Seller agrees to pay the Listing Brokerage a commissionof 3 % of the sale price of the Property or

for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period, as may be acceptable to the Seller.

INITIALS OF LISTING BROKERAGE:JAB**INITIALS OF SELLER(S):**

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The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage), and to offer to pay the co-operating brokerage a commission of 1.5 % of the sale price of the Property or out of the commission the Seller pays the Listing Brokerage. The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on

the Seller's behalf within 180 days after the expiration of the Listing Period (**Holdover Period**), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.

Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.

In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller.

All amounts set out as commission are to be paid plus applicable taxes on such commission.

3. REPRESENTATION: The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage acting as an agent for more than one seller without any claim by the Seller of conflict of interest. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage.

The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property.

MULTIPLE REPRESENTATION: The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will obtain the Seller's written consent to represent both the Seller and the buyer for the transaction at the earliest practical opportunity and in all cases prior to any offer to purchase being submitted or presented.

The Seller understand and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer, including a requirement to disclose all factual information about the Property known to the Listing Brokerage.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the Property will be disclosed to both Seller and buyer to assist them to come to their own conclusions.

Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.

MULTIPLE REPRESENTATION AND CUSTOMER SERVICE: The Seller understands and agrees that the Listing Brokerage also provides representation and customer service to other sellers and buyers. If the Listing Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Listing Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Listing Brokerage's relationship to each seller and buyer.

INITIALS OF LISTING BROKERAGE:

JAB

INITIALS OF SELLER(S):



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- 4. REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller's accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 5. MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 6. WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 7. INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement and, if attached, the accompanying data form.
The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 8. ENVIRONMENTAL INDEMNIFICATION:** The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems.
- 9. FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 10. FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the commission as described above.
- 11. VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.
- 12. USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may: during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and

INITIALS OF LISTING BROKERAGE:

JAB

INITIALS OF SELLER(S):



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selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

(Does)

(Does Not)

13. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

14. CONFLICT OR DISCREPANCY: If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.

15. ELECTRONIC COMMUNICATION: This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.

16. ELECTRONIC SIGNATURES: If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act, 2000*, S.O. 2000, c17 as amended from time to time.

17. SCHEDULE(S) A and data form attached hereto form(s) part of this Agreement.

THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.

Janis A Biro

(Authorized to bind the Listing Brokerage)

06/11/2023
(Date)

Janis A Biro

(Name of Person Signing)

THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME, I ACCEPT THE TERMS OF THIS AGREEMENT AND I ACKNOWLEDGE ON THIS DATE I HAVE SIGNED UNDER SEAL. Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

La Salle Motel Co. (Kingston) Ltd.

(Name of Seller)

(Signature of Seller/Authorized Signing Officer)

(Seal)

(Date)

(Tel. No.)

(Signature of Seller/Authorized Signing Officer)

(Seal)

(Date)

(Tel. No.)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

(Spouse)

(Seal)

(Date)

(Tel. No.)

DECLARATION OF INSURANCE

The Salesperson/Broker/Broker of Record **Janis A Biro**

(Name of Salesperson/Broker/Broker of Record)

hereby declares that he/she is insured as required by REBBA.

Janis A Biro

(Signature(s) of Salesperson/Broker/Broker of Record)

06/11/2023...

ACKNOWLEDGEMENT

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a copy of this Agreement on the day of, 20

(Signature of Seller) **La Salle Motel Co. (Kingston) Ltd.**

(Date)

(Signature of Seller)

(Date)

**Form 523**

for use in the Province of Ontario

Schedule A
Listing Agreement - Commercial
Authority to Offer for Sale

This Schedule is attached to and forms part of the Listing Agreement - Commercial Authority to Offer for Sale (Agreement) between:

BROKERAGE: Royal LePage Realty Plus, Brokerage....., and

SELLER: La Salle Motel Co. (Kingston) Ltd......

for the property known as 2360 Princess St, Kingston, ON K7M 3G4.....

..... dated the day of, 20.....

It is agreed and understood by the Listing Brokerage and the Sellers, that this agreement shall be subject to Court approval on June 21, 2023 to proceed. Should the approval be denied to proceed with the sale of the property, then this listing agreement shall be null and void.

This Listing Agreement will be executed and in force before the commencement date of June 22, 2023. This will allow time to revise all marketing material in preparation in the event the court allows the offering to proceed.

This form must be initialised by all parties to the Agreement.

INITIALS OF BROKERAGE:

JAB

INITIALS OF SELLER(S):



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Confidentiality Agreement - Commercial

Form 560

for use in the Province of Ontario

BETWEEN: Royal LePage Realty Plus, Brokerage (the Confidential Information "Provider")
(Seller/Buyer/Landlord/Tenant/Brokerage)

AND (the Confidential Information "Recipient")
(Seller/Buyer/Landlord/Tenant/Brokerage/Advisor/(Other))

CONCERNING: confidential or proprietary information described as: Any and All Financial Statement/Documents related to Lasalle Motel Co. (Kingston) Ltd., Environmental Reports Related to 2360 Princess Street Kingston and STR Reports

..... (the "Confidential Information") to be provided to the Recipient upon execution of this Agreement;

FOR THE PROPERTY KNOWN AS: (This section is optional if the Property is not to be identified until after execution of this Agreement)

2360 Princess Street, Kingston, Ontario, Canada K7M 3G4 (the "Property")

DEFINITIONS AND INTERPRETATIONS: For the purposes of this Confidentiality Agreement, "Provider" includes the employees and principals of the Provider and "Recipient" includes the employees and principals of the Recipient, the employees, agents, advisors, consultants and lenders of the Recipient's principal and the parties specifically authorized under this Agreement to receive the Confidential Information. "Confidential Information" includes written, electronic and verbal information designated in this Agreement as confidential or proprietary.

TERMS: In consideration of receiving the Confidential Information from the Provider, the Recipient agrees to hold and treat the Confidential Information in the strictest confidence and agrees not to disclose the Confidential Information to any party who has not been authorized under this Agreement to receive

the Confidential Information. This Agreement authorizes the Recipient to share the Confidential Information with A Client Buyer, Lawyer or accountant for the Client Buyer

The Confidential Information is provided for the sole and limited use by the Recipient, including the parties specifically authorized under this Agreement to receive the Confidential Information. If the Recipient intends to disclose any or all of the Confidential Information to any other party who is not authorized under this Agreement to receive the Confidential Information, the Recipient agrees to enter into a Confidentiality Agreement with the other party on the same terms and conditions as included herein and obtain the Provider's written authority prior to releasing the Confidential Information to the other party.

The Recipient shall be liable to the Provider for any non-compliance of this Confidentiality Agreement by the Recipient and for any disclosure of the Confidential Information by any other party who has received the Confidential Information from the Recipient.

The Recipient agrees to make all inquiries and communications concerning the Confidential Information and the Property through the Provider. The Recipient agrees not to contact anyone other than the Provider for additional information about the Property, including employees, tenants, business contacts, suppliers, government agencies, etc., or to inspect the Property, without the prior written consent of the Provider.

If the Recipient is no longer interested in continuing negotiations for the Property or completing a transaction with the Provider, the Recipient agrees to return all written Confidential Information to the Provider and to destroy any written and electronic copies in the Recipient's possession.

The Recipient agrees that any investigations of the Property are at the sole risk and expense of the Recipient and the Provider will not be liable for any costs related to such investigations or due diligence without the express written authorization from the Provider.

The Provider is not liable for the accuracy or completeness of the Confidential Information and is not liable in any way to the Recipient as a result of providing the Confidential Information to the Recipient.

Any liability or dispute arising out of this Confidentiality Agreement, or any non-compliance with this Agreement shall be subject to and governed by the laws of the Province of Ontario, Canada.

The Recipient executing this Agreement agrees to inform any Recipient of the Confidential Information that the information is confidential.

PRIVACY: Each of the Provider and Recipient represent and warrant to the other that each has complied with the provisions of the *Personal Information Protection and Electronic Documents Act* and will continue to do so and, if required, each will provide an authorized contact to the other for matters concerning personal information.

Signature of Provider/Authorized Representative:

Company Royal LePage Realty Plus, Brokerage

(Provider/Authorized Representative/Signing Officer) (Date)

Address 2575 Dundas Street West, Mississauga

Ontario L5K2M6

905-828-6550 905-828-1511
(Tel. No.) (Fax No.)

Signature of Recipient/Authorized Representative:

Company.....

(Recipient/Authorized Representative/Signing Officer) (Date)

Address.....

(Tel. No.) (Fax No.)



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Form 815

for use in the Province of Ontario

The Commercial REALTOR® Consumer Relationship

In Ontario, the real estate profession is governed by the Real Estate and Business Brokers Act, 2002, and Associated Regulations (REBBA 2002 or Act), administered by the Real Estate Council of Ontario (RECO). All Ontario REALTORS® are registered under the Act and governed by its provisions. REBBA 2002 is consumer protection legislation, regulating the conduct of real estate brokerages and their salespeople/brokers. The Act provides consumer protection in the form of deposit insurance and requires every salesperson/broker to carry errors & omission (E&O) insurance.

When you choose to use the services of a Commercial REALTOR®, it is important to understand that this individual works on behalf of a real estate brokerage, usually a company. The brokerage is operated by a Broker of Record, who has the ultimate responsibility for the employees registered with the brokerage. When you sign a contract, it is with the brokerage, not with the salesperson/broker employee.

The Act also requires that the brokerage (usually through its Commercial REALTORS®) explain the types of service alternatives available to consumers and the services the brokerage will be providing. The brokerage must document the relationship being created between the brokerage and the consumer, and submit it to the consumer for his/her approval and signature. The most common relationships are "client" and "customer", but other options may be available in the marketplace.

Client

A "client" relationship creates the highest form of obligation for a Commercial REALTOR® to a consumer. The brokerage and its salespeople/brokers have a fiduciary (legal) relationship with the client and represent the interests of the client in a real estate transaction. The Commercial REALTOR® will establish this relationship with the use of a representation agreement, called a Listing Agreement with the seller and a Buyer Representation Agreement or Mandate with the buyer. The agreement contains an explanation of the services the brokerage will be providing, the fee arrangement for those services, the obligations the client will have under the agreement, and the expiry date of the agreement. Ensure that you have read and fully understand any such agreement before you sign the document.

Once a brokerage and a consumer enter into a client relationship, the brokerage must protect the interests of the client and do what is best for the client. A brokerage must strive for the benefit of the client and must not disclose a client's confidential information to others. Under the Act, the brokerage must also make reasonable efforts to determine any material facts relating to the transaction that would be of interest to the client and must inform the client of those facts. Although they are representing the interests of their client, they must still treat all parties to the transaction with fairness, honesty, and integrity.

Customer

A buyer/tenant or seller/landlord may not wish to be under contract as a client with the brokerage but would rather be treated as a customer. A Commercial REALTOR® is obligated to treat every person in a real estate transaction with honesty, fairness, and integrity, but unlike a client, provides a customer with a restricted level of service. Services provided to a customer may include showing the property or properties, taking customer direction to draft an offer and present the customer offer etc. Brokerages use a Customer Service Agreement to document the services they are providing to a buyer/tenant or seller/landlord customer.

Under the Act, the Commercial REALTOR® has disclosure obligations to a customer and must disclose material facts known to the brokerage that relate to the transaction.

What Happens When...

Buyer(s) and the seller(s) are sometimes under contract with the same brokerage when properties are being shown or an offer is being contemplated. There can also be instances when there is more than one offer on a property and more than one buyer and seller are under a representation agreement with the same brokerage. This situation is referred to as multiple representation. Under the Act, the Commercial REALTORS® and their brokerage must make sure all buyers, sellers, and their Commercial REALTORS® confirm in writing that they acknowledge, understand, and consent to the situation before their offer is made. Commercial REALTORS® typically use what is called a Confirmation of Co-operation and Representation form to document this situation.

Offer negotiations may become stressful, so if you have any questions when reference is made to multiple representation or multiple offers, please ask your Commercial REALTOR® for an explanation.

Critical Information

Commercial REALTORS® are obligated to disclose facts that may affect a buying or selling decision. It may be difficult for a Commercial REALTOR® to judge what facts are important. They also may not be in a position to know a fact. You should communicate to your Commercial REALTOR® what information and facts about a property are important to you in making a buying or selling decision, and document this information to avoid any misunderstandings and/or unpleasant surprises.

Similarly, services that are important to you and are to be performed by the brokerage, or promises that have been made to you, should be documented in your contract with the brokerage and its salesperson/broker.

To ensure the best possible real estate experience, make sure all your questions are answered by your Commercial REALTOR®. You should read and understand every contract before you finalize it.

Acknowledgement by: Lasalle Motel Co. (Kingston) Ltd.

(Names)

I/we have read, understand, and have received a copy of Working with a Commercial REALTOR®

Sellers: As seller(s), I/we understand that

Royal LePage Realty Plus, Brokerage

(Name of Brokerage)

(initial one)

☐

Is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other sellers and buyers.

☐

Is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

(Signature)

(Date)

(Signature)

(Date)

Buyers: As buyer(s), I/we understand that

(Name of Brokerage)

(initial one)

☐

Is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other buyers and sellers.

☐

Is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

(Signature)

(Date)

(Signature)

(Date)

Please note that Federal legislation requires REALTORS® to verify the identity of sellers and buyers with whom they are working.

For the purposes of this information, the term "seller" can be interpreted as "landlord" and "buyer" can mean "tenant." This form is for information only and is not a contract.



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COMMERCIAL – SALE MLS® DATA INFORMATION FORM



MLS® LISTING #

FOR BOARD USE ONLY FOR A NEW LISTING OR TO BE COMPLETED FOR A RE-RUN.

☒ **Mandatory Field**
All Property Types

☐ **Optional Field**
All Property Types

PROPERTY INFORMATION

ASSESSMENT ROLL NUMBER (ARN)

☐ Initial Information
Page

PIN #

AREA

360860103

Frontinac

MUNICIPALITY

Kingston

COMMUNITY *

Cataraqui North

* MANDATORY IF AVAILABLE

STREET NUMBER

STREET NAME

ABBREV

DIR

APT/UNIT #

POSTAL CODE

2360

Princess St

St

☐ E ☐ N
☐ S ☐ W

K7M 3G4

LEGAL DESCRIPTION (LOT, PLAN, CONCESSION) (50 characters)

Pt Lt 14 Com.Kingston as in FR315986:S/T

KingstonFR332477;TKU12314

PROPERTY MANAGEMENT COMPANY

(60 characters)

LOT FRONT ▲*

LOT DEPTH ▲*

LOT/BLDG/UNIT CODE ▲

LOT SIZE CODE ▲

LOT IRREGULARITIES (40 characters)

518

635

☒ Lot ☐ Bldg ☐ Unit

☐ Feet ☐ Acres
☐ Metres

* NOT MANDATORY FOR COMMERCIAL CONDO

ZONING (40 characters)

C2-1-H

DIRECTION/MAIN CROSS STREETS (30 characters)

Princess Street and Augusta Drive

▲ IF NOT APPLICABLE ENTER "0"

AMOUNTS/DATES

◆ One of Possession Date or Possession Remarks is Mandatory

LIST PRICE

LIST PRICE CODE

NOTE: REFER TO PRICE CODES ON BACK

MIN. RENTAL TERM

(MONTHS)

MAX. RENTAL TERM

(MONTHS)

TAXES

TAX YEAR

9,750,000.00

For Sale

2023

TAX TYPE

(check 1)

ASSESSMENT

ASSESSMENT YEAR

CONTRACT COMMENCEMENT

EXPIRY DATE

POSSESSION DATE ◆

☒ Annual ☐ T. & O.

☐ N/A ☐ T.M.I.

06 / 22 / 2023

M M D D Y Y Y Y

08 / 31 / 2023

M M D D Y Y Y Y

08 / 24 / 2023

M M D D Y Y Y Y

POSSESSION REMARKS ◆ (14 characters)

To Be Determined

HOLDOVER DAYS

180

SELLER NAME

(70 characters)

La Salle Motel Co. (Kingston) Ltd.

MORTGAGE COMMENTS

(140 characters)

CONDO MAINTENANCE FEES (MONTHLY) *

* MANDATORY FOR COMMERCIAL & INDUSTRIAL CONDOS ONLY

FORM 590



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SELLERS INITIALS

DETAILS

TYPE	CATEGORY (check 1)	USE (check 1)																																																																
<input type="checkbox"/> Commercial Retail Property (Do not use for Sale of Business)	<input type="checkbox"/> Commercial Condo <input type="checkbox"/> Highway Commercial <input type="checkbox"/> Institutional* <input type="checkbox"/> Multi-Use <input type="checkbox"/> Retail <input type="checkbox"/> Service	<input type="checkbox"/> Automotive Related <input type="checkbox"/> Health & Beauty Related <input type="checkbox"/> Hospitality/Food Related <input type="checkbox"/> Other <input type="checkbox"/> Retail Store Related <input type="checkbox"/> Service Related <input type="checkbox"/> Bank* <input type="checkbox"/> Church* <input type="checkbox"/> School* <input type="checkbox"/> Other* *uses for Institutional category only																																																																
<input type="checkbox"/> Sale of Business	<input type="checkbox"/> Without Property <input type="checkbox"/> With Property	<table><tbody><tr><td><input type="checkbox"/> Apparel</td><td><input type="checkbox"/> Coin Laundromat</td><td><input type="checkbox"/> Florist</td><td><input type="checkbox"/> Hotel/Motel/Inn</td></tr><tr><td><input type="checkbox"/> Art Gallery</td><td><input type="checkbox"/> Convenience/Variety</td><td><input type="checkbox"/> Food Court Outlet</td><td><input type="checkbox"/> Jewellery</td></tr><tr><td><input type="checkbox"/> Art Supplies</td><td><input type="checkbox"/> Copy/Printing</td><td><input type="checkbox"/> Footwear</td><td><input type="checkbox"/> Manufacturing</td></tr><tr><td><input type="checkbox"/> Automotive Related</td><td><input type="checkbox"/> Crafts/Hobby</td><td><input type="checkbox"/> Fruit/Vegetable/Market</td><td><input type="checkbox"/> Marina</td></tr><tr><td><input type="checkbox"/> Bakery</td><td><input type="checkbox"/> Dairy Products</td><td><input type="checkbox"/> Funeral Home</td><td><input type="checkbox"/> Medical/Dental</td></tr><tr><td><input type="checkbox"/> Banquet Hall</td><td><input type="checkbox"/> Day Care</td><td><input type="checkbox"/> Furniture</td><td><input type="checkbox"/> Other</td></tr><tr><td><input type="checkbox"/> Bar/Tavern/Pub</td><td><input type="checkbox"/> Delicatessen</td><td><input type="checkbox"/> Garden/Landscaping</td><td><input type="checkbox"/> Pizzeria</td></tr><tr><td><input type="checkbox"/> Beauty Salon</td><td><input type="checkbox"/> Delivery/Courier</td><td><input type="checkbox"/> Gas Station</td><td><input type="checkbox"/> Real Estate Office</td></tr><tr><td><input type="checkbox"/> Bed & Breakfast</td><td><input type="checkbox"/> Distributing</td><td><input type="checkbox"/> Golf Course</td><td><input type="checkbox"/> Restaurant</td></tr><tr><td><input type="checkbox"/> Butcher/Meat</td><td><input type="checkbox"/> Drugstore/Pharmacy</td><td><input type="checkbox"/> Golf Driving Range</td><td><input type="checkbox"/> Self Storage</td></tr><tr><td><input type="checkbox"/> Cabins/Cottages</td><td><input type="checkbox"/> Dry Cleaning/Laundry</td><td><input type="checkbox"/> Gravel Pit/Quarry</td><td><input type="checkbox"/> Service Related</td></tr><tr><td><input type="checkbox"/> Café</td><td><input type="checkbox"/> Electronics</td><td><input type="checkbox"/> Grocery/Supermarket</td><td><input type="checkbox"/> Spa/Tanning</td></tr><tr><td><input type="checkbox"/> Car Wash</td><td><input type="checkbox"/> Entertainment</td><td><input type="checkbox"/> Hair Salon</td><td><input type="checkbox"/> Sporting Goods</td></tr><tr><td><input type="checkbox"/> Caterer/Cafeteria</td><td><input type="checkbox"/> Fast Food/Takeout</td><td><input type="checkbox"/> Hardware/Tools</td><td><input type="checkbox"/> Sports/Entertainment</td></tr><tr><td><input type="checkbox"/> Coffee/Donut Shop</td><td><input type="checkbox"/> Fitness/Training</td><td><input type="checkbox"/> Home Improvement</td><td><input type="checkbox"/> Travel Agency</td></tr><tr><td></td><td></td><td></td><td><input type="checkbox"/> Wood Working</td></tr></tbody></table>	<input type="checkbox"/> Apparel	<input type="checkbox"/> Coin Laundromat	<input type="checkbox"/> Florist	<input type="checkbox"/> Hotel/Motel/Inn	<input type="checkbox"/> Art Gallery	<input type="checkbox"/> Convenience/Variety	<input type="checkbox"/> Food Court Outlet	<input type="checkbox"/> Jewellery	<input type="checkbox"/> Art Supplies	<input type="checkbox"/> Copy/Printing	<input type="checkbox"/> Footwear	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Automotive Related	<input type="checkbox"/> Crafts/Hobby	<input type="checkbox"/> Fruit/Vegetable/Market	<input type="checkbox"/> Marina	<input type="checkbox"/> Bakery	<input type="checkbox"/> Dairy Products	<input type="checkbox"/> Funeral Home	<input type="checkbox"/> Medical/Dental	<input type="checkbox"/> Banquet Hall	<input type="checkbox"/> Day Care	<input type="checkbox"/> Furniture	<input type="checkbox"/> Other	<input type="checkbox"/> Bar/Tavern/Pub	<input type="checkbox"/> Delicatessen	<input type="checkbox"/> Garden/Landscaping	<input type="checkbox"/> Pizzeria	<input type="checkbox"/> Beauty Salon	<input type="checkbox"/> Delivery/Courier	<input type="checkbox"/> Gas Station	<input type="checkbox"/> Real Estate Office	<input type="checkbox"/> Bed & Breakfast	<input type="checkbox"/> Distributing	<input type="checkbox"/> Golf Course	<input type="checkbox"/> Restaurant	<input type="checkbox"/> Butcher/Meat	<input type="checkbox"/> Drugstore/Pharmacy	<input type="checkbox"/> Golf Driving Range	<input type="checkbox"/> Self Storage	<input type="checkbox"/> Cabins/Cottages	<input type="checkbox"/> Dry Cleaning/Laundry	<input type="checkbox"/> Gravel Pit/Quarry	<input type="checkbox"/> Service Related	<input type="checkbox"/> Café	<input type="checkbox"/> Electronics	<input type="checkbox"/> Grocery/Supermarket	<input type="checkbox"/> Spa/Tanning	<input type="checkbox"/> Car Wash	<input type="checkbox"/> Entertainment	<input type="checkbox"/> Hair Salon	<input type="checkbox"/> Sporting Goods	<input type="checkbox"/> Caterer/Cafeteria	<input type="checkbox"/> Fast Food/Takeout	<input type="checkbox"/> Hardware/Tools	<input type="checkbox"/> Sports/Entertainment	<input type="checkbox"/> Coffee/Donut Shop	<input type="checkbox"/> Fitness/Training	<input type="checkbox"/> Home Improvement	<input type="checkbox"/> Travel Agency				<input type="checkbox"/> Wood Working
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<input type="checkbox"/> Art Gallery	<input type="checkbox"/> Convenience/Variety	<input type="checkbox"/> Food Court Outlet	<input type="checkbox"/> Jewellery																																																															
<input type="checkbox"/> Art Supplies	<input type="checkbox"/> Copy/Printing	<input type="checkbox"/> Footwear	<input type="checkbox"/> Manufacturing																																																															
<input type="checkbox"/> Automotive Related	<input type="checkbox"/> Crafts/Hobby	<input type="checkbox"/> Fruit/Vegetable/Market	<input type="checkbox"/> Marina																																																															
<input type="checkbox"/> Bakery	<input type="checkbox"/> Dairy Products	<input type="checkbox"/> Funeral Home	<input type="checkbox"/> Medical/Dental																																																															
<input type="checkbox"/> Banquet Hall	<input type="checkbox"/> Day Care	<input type="checkbox"/> Furniture	<input type="checkbox"/> Other																																																															
<input type="checkbox"/> Bar/Tavern/Pub	<input type="checkbox"/> Delicatessen	<input type="checkbox"/> Garden/Landscaping	<input type="checkbox"/> Pizzeria																																																															
<input type="checkbox"/> Beauty Salon	<input type="checkbox"/> Delivery/Courier	<input type="checkbox"/> Gas Station	<input type="checkbox"/> Real Estate Office																																																															
<input type="checkbox"/> Bed & Breakfast	<input type="checkbox"/> Distributing	<input type="checkbox"/> Golf Course	<input type="checkbox"/> Restaurant																																																															
<input type="checkbox"/> Butcher/Meat	<input type="checkbox"/> Drugstore/Pharmacy	<input type="checkbox"/> Golf Driving Range	<input type="checkbox"/> Self Storage																																																															
<input type="checkbox"/> Cabins/Cottages	<input type="checkbox"/> Dry Cleaning/Laundry	<input type="checkbox"/> Gravel Pit/Quarry	<input type="checkbox"/> Service Related																																																															
<input type="checkbox"/> Café	<input type="checkbox"/> Electronics	<input type="checkbox"/> Grocery/Supermarket	<input type="checkbox"/> Spa/Tanning																																																															
<input type="checkbox"/> Car Wash	<input type="checkbox"/> Entertainment	<input type="checkbox"/> Hair Salon	<input type="checkbox"/> Sporting Goods																																																															
<input type="checkbox"/> Caterer/Cafeteria	<input type="checkbox"/> Fast Food/Takeout	<input type="checkbox"/> Hardware/Tools	<input type="checkbox"/> Sports/Entertainment																																																															
<input type="checkbox"/> Coffee/Donut Shop	<input type="checkbox"/> Fitness/Training	<input type="checkbox"/> Home Improvement	<input type="checkbox"/> Travel Agency																																																															
			<input type="checkbox"/> Wood Working																																																															
<input type="checkbox"/> Store With Apartment/Office	<input type="checkbox"/> Store With Apartment/Office																																																																	
<input checked="" type="checkbox"/> Investment	<input checked="" type="checkbox"/> Accommodation ¹ <input type="checkbox"/> Apartment ² <input type="checkbox"/> Retail <input type="checkbox"/> Industrial <input type="checkbox"/> Office <input type="checkbox"/> Recreational ³	<table><tbody><tr><td><input type="checkbox"/> Bed & Breakfast ¹</td><td><input type="checkbox"/> Cabins/Cottages ¹</td><td><input checked="" type="checkbox"/> Hotel/Motel/Inn ¹</td><td><input type="checkbox"/> Other ¹</td></tr><tr><td><input type="checkbox"/> Apts-2 To 5 Units ²</td><td><input type="checkbox"/> Apts-6 To 12 Units ²</td><td><input type="checkbox"/> Apts-13 To 20 Units ²</td><td><input type="checkbox"/> Apts-Over 20 Units ²</td></tr><tr><td colspan="4"><input type="checkbox"/> Seniors Residence ²</td></tr><tr><td colspan="4"><input type="checkbox"/> Other ²</td></tr><tr><td colspan="4"></td></tr><tr><td><input type="checkbox"/> Golf ³</td><td><input type="checkbox"/> Marina ³</td><td><input type="checkbox"/> Campground ³</td><td><input type="checkbox"/> Sports/Entertainment ³</td></tr><tr><td colspan="2"></td><td><input checked="" type="checkbox"/> Other ³</td><td></td></tr></tbody></table> 1 - uses for Accommodation only 2 - uses for Apartment only 3 - uses for Recreational only All others have no uses.	<input type="checkbox"/> Bed & Breakfast ¹	<input type="checkbox"/> Cabins/Cottages ¹	<input checked="" type="checkbox"/> Hotel/Motel/Inn ¹	<input type="checkbox"/> Other ¹	<input type="checkbox"/> Apts-2 To 5 Units ²	<input type="checkbox"/> Apts-6 To 12 Units ²	<input type="checkbox"/> Apts-13 To 20 Units ²	<input type="checkbox"/> Apts-Over 20 Units ²	<input type="checkbox"/> Seniors Residence ²				<input type="checkbox"/> Other ²								<input type="checkbox"/> Golf ³	<input type="checkbox"/> Marina ³	<input type="checkbox"/> Campground ³	<input type="checkbox"/> Sports/Entertainment ³			<input checked="" type="checkbox"/> Other ³																																					
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<input type="checkbox"/> Industrial	<input type="checkbox"/> Free Standing <input type="checkbox"/> Industrial Condo <input type="checkbox"/> Mutli-Unit	<input type="checkbox"/> Cooler/Freezer/Food Inspected <input type="checkbox"/> Factory/Manufacturing <input type="checkbox"/> Laboratory <input type="checkbox"/> Other <input type="checkbox"/> Transportation <input type="checkbox"/> Warehouse																																																																
<input type="checkbox"/> Farm	<input type="checkbox"/> Agricultural	<input type="checkbox"/> Cash Crop <input type="checkbox"/> Dairy Products <input type="checkbox"/> Hobby <input type="checkbox"/> Horse <input type="checkbox"/> Livestock <input type="checkbox"/> Other																																																																
<input type="checkbox"/> Land	<input type="checkbox"/> Designated <input type="checkbox"/> Raw (Outside Official Plan)	<input type="checkbox"/> Bush <input type="checkbox"/> Golf <input type="checkbox"/> Gravel Pit/Quarry <input type="checkbox"/> Industrial <input type="checkbox"/> Hospitality <input type="checkbox"/> Office <input type="checkbox"/> Other <input type="checkbox"/> Parking Lot <input type="checkbox"/> Recreational <input type="checkbox"/> Residential <input type="checkbox"/> Restricted <input type="checkbox"/> Retail <input type="checkbox"/> Waterfront																																																																

3 FREESTANDING

☒ Yes ☐ No

4 TOTAL AREA

7.5

4 TOTAL AREA CODE (check 1)

- ☒
- Acres
-
- ☐
- Hectares
-
- ☐
- Square Feet
-
- ☐
- Sq. Ft. Divisible
-
- ☐
- Sq. M. Divisible
-
- ☐
- Square Metres

% BUILDING

5 OFFICE/APT AREA

5 OFFICE/APT AREA CODE

(check 1)

- ☐
- %
-
- ☐
- Square Feet
-
- ☐
- Sq. Ft. Divisible
-
- ☐
- Square Metres
-
- ☐
- Sq. M. Divisible

6 INDUSTRIAL AREA

6 INDUSTRIAL AREA CODE

(check 1)

- ☐
- %
-
- ☐
- Square Feet
-
- ☐
- Sq. Ft. Divisible
-
- ☐
- Square Metres
-
- ☐
- Sq. M. Divisible

7 RETAIL AREA

7 RETAIL AREA CODE

(check 1)

- ☐
- %
-
- ☐
- Square Feet
-
- ☐
- Sq. Ft. Divisible
-
- ☐
- Square Metres
-
- ☐
- Sq. M. Divisible

APPROXIMATE AGE

- ☐ New
☐ 0 - 5 Years
☐ 6 - 15 Years
☐ 16 - 30 Years
☐ 31 - 50 Years
☐ 51 - 99 Years
☐ 100 + Years

AREA INFLUENCES

(check 2)

- ☐ Greenbelt/Conservation
☒ Major Highway
☐ Public Transit
☐ Recreation/Community Center
☐ Skiing
☐ Subways

PHYSICALLY HANDICAPPED-EQUIPPED

- ☐ Yes ☐ No

8 BASEMENT

- ☒ Yes ☐ No

UFFI (check 1)

- ☐ No
☐ Partially Removed
☐ Removed
☐ Yes

9 CLEAR HEIGHTFEET INCHES **10 SPRINKLERS (check 1)**

- ☐ No
☐ Partial
☐ Yes

11 UTILITIES

- ☐ Available
☒ Yes
☐ No

BAY SIZEWIDTH FT IN LENGTH FT IN **AMPS** **VOLTS** **12 WATER (check 1)**

- ☒ Municipal
☐ None
☐ Other
☐ Well

WATER SUPPLY TYPES

(check 1)

- ☐ Bored Well
☐ Cistern
☐ Community Well
☐ Drilled Well
☐ Dug Well
☐ Lake/River
☐ Shared Well

13 AIR CONDITIONING

(check 1)

- ☐ No
☐ Partial
☐ Yes

14 HEAT TYPE (check 1)

- ☐ Baseboard
☐ Electric Forced Air
☐ Electric Hot Water
☐ Fan Coil
☐ Gas Forced Air Closed
☐ Gas Forced Air Open
☐ Gas Hot Water
☐ None
☐ Oil Forced Air
☐ Oil Hot Water
☐ Oil Steam
☒ Other
☐ Propane Gas
☐ Radiant
☐ Solar
☐ Steam Radiators
☐ Water Radiators
☐ Woodburning

WASHROOMS**SHIPPING DOOR TYPES****15 TRUCK LEVEL SHIP DOORS #** DOOR HEIGHT FT IN DOOR WIDTH FT IN **15 DOUBLE MAN SHIP DOORS #** DOOR HEIGHT FT IN DOOR WIDTH FT IN **15 DRIVE-IN LEVEL SHIP DOORS #** DOOR HEIGHT FT IN DOOR WIDTH FT IN **15 GRADE LEVEL SHIP DOORS #** DOOR HEIGHT FT IN DOOR WIDTH FT IN **16 ELEVATOR (check 1)**

- ☐ Freight/Public
☐ Freight
☐ None
☒ Public

17 GARAGE TYPE (check 1)

- ☐ Boulevard
☐ Covered
☐ Double Detached
☐ In/Out
☐ Lane
☐ None
☐ Other
☒ Outside/Surface
☐ Pay
☐ Plaza
☐ Public
☐ Reserved/Assigned
☐ Single Detached
☐ Street
☐ Underground
☐ Valet
☐ Visitor

PARKING SPACES TOTAL **NUMBER OF TRAILER PARKING SPOTS** **OUTSIDE STORAGE**

- ☐ Yes ☐ No

18 RAIL

- ☐ Available ☐ No ☐ Yes

CRANE

- ☐ Yes ☐ No

SURVEY

- ☐ Yes ☐ No

SOIL TEST (check 1)

- ☐ Construction Audit
☐ Construction & Environmental
☐ Environmental Audit
☐ No
☐ Yes

19 SEWERS (check 1)

- ☐ None
☐ Sanitary
☐ Sanitary Available
☐ Sanitary + Storm
☐ Sanitary + Storm Available
☐ Septic Available
☐ Septic
☐ Storm
☐ Storm Available

COMMENTS (*Refer to form 823)**REMARKS FOR CLIENTS**

(1000 characters max) 1. Appear in the Brokerage Full, Client Full and Flyer Reports in TorontoMLS and are published on the Internet.

2. REMARKS MUST RELATE DIRECTLY TO PROPERTY. 3. DISCLOSE POTL DETAILS & POTL MONTHLY FEES IN THIS FIELD.

Redevelopment Opportunity with holding income currently operating as Travelodge Hotel with full service restaurant and motel component at rear of property. 7.5 acres with 2 road frontages. The subject property appears to be designated 'Commercial' in the Cataraqui North Secondary Plan and is zoned Special Holding General Commercial 'C2-1-H' in Zoning By-Law Number 76-26. The land use designation permits mixed use (i.e. commercial on ground floor with residential units on upper floors) with a maximum height of 8 storeys and a residential density between 75 and 125 units per hectare. A minimum of a zoning amendment and site plan control would be required to permit a mixed use development at this site. Section 10C.4.25d. of the Official Plan appears to permit a standalone residential use, such as a retirement home.

EXTRAS

(240 characters max) 1. Appear in the Brokerage Full, Client Full and Flyer Reports in TorontoMLS and are published on the Internet.

2. REMARKS MUST RELATE DIRECTLY TO PROPERTY. Property is offered on an "AS IS" basis. Contact the listing agent to arrange viewings. A property information package is available.

INCLUSIONS*

(250 characters max)

EXCLUSIONS*

(250 characters max)

COMMENTS

RENTAL ITEMS*

(250 characters max)

REMARKS FOR BROKERAGES

(280 characters max) 1. Appear in the Brokerage Full Report in TorontoMLS and not on the Client Reports and are not published on the Internet.

2. **ADDITIONAL CONTACT INFORMATION IS ALLOWED ONLY IN THIS FIELD.** Property sale is subject to court approval. Walk through/inspection TOUR DATES ARE JUNE 29th and JULY 6th, 2023. DO NOT GO DIRECT. OFFER DATE - JULY 14th, 2023. Allow 3 day irrevocable. A Vesting order will be Obtained prior to closing. Closing date - determined by court calendar availability . Property is "AS IS" Call Listing agent for details

FINANCIAL INFORMATION

20 FINANCIAL STATEMENT	21 CHATELS	22 FRANCHISE	23 DAYS OPEN	HOURS OPEN	24 EMPLOYEES
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four <input type="checkbox"/> Five <input type="checkbox"/> Six <input checked="" type="checkbox"/> Seven <input type="checkbox"/> Varies		<input type="text" value="59"/>
25 SEATS	26 L.L.B.O.	BUSINESS/BUILDING NAME (37 characters)			TAXES EXPENSE
	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
INSURANCE EXPENSE	MANAGEMENT EXPENSE	MAINTENANCE	HEAT EXPENSE	HYDRO EXPENSE	WATER EXPENSE
OTHER EXPENSE	GROSS INCOME/SALES	VACANCY ALLOWANCE	OPERATING EXPENSE	NET INCOME BEFORE DEBT	
EST. INV. VALUES AT COST	COMMON AREA UPCHARGE	PERCENTAGE RENT	EXPENSES ♦	YEAR EXPENSES	
			Actual <input type="checkbox"/> Estimated <input type="checkbox"/>		
♦ COMPLETE ONLY IF YOU HAVE ENTERED ANY AMOUNT(S)					

BROKERAGE INFORMATION / OTHER

LISTING BROKERAGE	L.B. PHONE
Royal LePage Realty Plus, Brokerage	905 — 828 — 6500
BROKER 1/SALESPERSON 1	L.B. FAX NO.
Janis A Biro	905 — 828 — 1511
BROKER 2/SALESPERSON 2	BROKER 1/SALESPERSON 1 PHONE
	905 — 334 — 8555
COMMISSION TO CO-OPERATING BROKERAGE	BROKER 2/SALESPERSON 2 PHONE
1.5% +HST	905 — — —

SPIS	ENERGY CERTIFICATION	CERTIFICATION LEVEL (25 characters)
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
GREEN PROPERTY INFORMATION STATEMENT	DISTRIBUTE TO INTERNET	DISPLAY ADDRESS ON INTERNET
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	DISTRIBUTE TO DDF™/IDX	PERMISSION TO CONTACT LB TO ADVERTISE
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

APPOINTMENTS

Call Listing Broker

OCCUPANCY (check 1)	CONTACT AFTER EXPIRED
<input type="checkbox"/> Owner/Tenant <input type="checkbox"/> Owner <input type="checkbox"/> Partial <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

VIRTUAL TOUR URL (100 characters)

PHOTO OPTIONS

☐ Use photo from photo library ☒ Upload your own photo(s) ☐ No photo for this listing

SELLER HEREBY ACKNOWLEDGES HAVING RECEIVED A COPY OF PART 2 OF 2 OF THE LISTING AGREEMENT.

SIGNATURE _____ DATE _____

SIGNATURE _____ DATE _____

PRICE CODES

FOR SALE
GROSS LEASE
NET LEASE
OTHER

PER ACRE
PER SQ. FT.
PLUS STOCK
SQ. FT. GROSS

SQ. FT. NET
SQ. M. GROSS
SQ. M. NET

DETAILS/DESCRIPTIONS – ALL COMMERCIAL PROPERTY TYPES

2	USE MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office	15	SHIPPING DOORS MANDATORY: OPTIONAL:	Industrial Commercial/Retail; Farm; Investment; Land; Office; Sale of Business; Store with Apartment/Office
3	FREESTANDING MANDATORY: OPTIONAL:	Commercial/Retail; Industrial; Investment; Office; Store with Apartment/Office Farm; Land; Sale of Business	16	ELEVATORS MANDATORY: OPTIONAL:	Office Commercial/Retail; Farm; Industrial; Investment; Land; Sale of Business; Store with Apartment/Office
4	TOTAL LAND/BLDG. AREA MANDATORY: OPTIONAL:	Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office Sale of Business	17	PARKING/GARAGE MANDATORY: OPTIONAL:	Commercial/Retail; Industrial; Investment; Office; Sale of Business; Store with Apartment/Office Farm; Land
5	OFFICE/APT. AREA MANDATORY: OPTIONAL:	Office; Store with Apartment/Office Commercial/Retail; Farm; Industrial; Investment; Land; Sale of Business	18	RAIL MANDATORY: OPTIONAL:	Industrial Commercial/Retail; Farm; Investment; Land; Office; Sale of Business; Store with Apartment/Office
6	INDUSTRIAL AREA MANDATORY: OPTIONAL:	Industrial Commercial/Retail; Farm; Investment; Land; Sale of Business; Store with Apartment/Office	19	SEWERS MANDATORY: OPTIONAL:	Land Commercial/Retail; Farm; Industrial; Investment; Office; Sale of Business; Store with Apartment/Office
7	RETAIL AREA MANDATORY: OPTIONAL:	Commercial/Retail; Store with Apartment/Office Farm; Industrial; Investment; Land; Office; Sale of Business	20	FINANCIAL STATEMENT MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
8	BASEMENT MANDATORY: OPTIONAL:	Sale of Business; Store with Apartment/Office Commercial/Retail; Farm; Industrial; Investment; Land; Office	21	CHATELS MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
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10	SPRINKLERS MANDATORY: OPTIONAL:	Commercial/Retail; Industrial; Office; Store with Apartment/Office Farm; Investment; Land; Sale of Business	23	DAYS OPEN MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
11	UTILITIES MANDATORY: OPTIONAL:	Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office Sale of Business	24	# EMPLOYEES MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
12	WATER MANDATORY: OPTIONAL:	For all	25	# SEATS MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
13	AIR CONDITIONING MANDATORY: OPTIONAL:	Commercial/Retail; Industrial; Investment; Office; Sale of Business; Store with Apartment/Office Farm; Land	26	L.L.B.O. MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
14	HEAT MANDATORY: OPTIONAL:	Commercial/Retail; Farm; Industrial; Investment; Office; Sale of Business; Store with Apartment/Office Land			

PRICE CODES

FOR SALE	PER ACRE	SQ. FT. NET
GROSS LEASE	PER SQ. FT.	SQ. M. GROSS
NET LEASE	PLUS STOCK	SQ. M. NET
OTHER	SQ. FT. GROSS	

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FOR SALE
GROSS LEASE
NET LEASE
OTHER

PER ACRE
PER SQ. FT.
PLUS STOCK
SQ. FT. GROSS

SQ. FT. NET
SQ. M. GROSS
SQ. M. NET

DETAILS/DESCRIPTIONS – ALL COMMERCIAL PROPERTY TYPES

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7	<u>RETAIL AREA</u> MANDATORY: OPTIONAL:	Commercial/Retail; Store with Apartment/Office Farm; Industrial; Investment; Land; Office; Sale of Business	20	<u>FINANCIAL STATEMENT</u> MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
8	<u>BASEMENT</u> MANDATORY: OPTIONAL:	Sale of Business; Store with Apartment/Office Commercial/Retail; Farm; Industrial; Investment; Land; Office	21	<u>CHATELLE</u> MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
9	<u>CLEAR HEIGHT</u> MANDATORY: OPTIONAL:	Industrial Commercial/Retail; Farm; Investment; Land; Office; Sale of Business; Store with Apartment/Office	22	<u>FRANCHISE</u> MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
10	<u>SPRINKLERS</u> MANDATORY: OPTIONAL:	Commercial/Retail; Industrial; Office; Store with Apartment/Office Farm; Investment; Land; Sale of Business	23	<u>DAYS OPEN</u> MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
11	<u>UTILITIES</u> MANDATORY: OPTIONAL:	Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office Sale of Business	24	<u># EMPLOYEES</u> MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
12	<u>WATER</u> MANDATORY: OPTIONAL:	For all	25	<u># SEATS</u> MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
13	<u>AIR CONDITIONING</u> MANDATORY: OPTIONAL:	Commercial/Retail; Industrial; Investment; Office; Sale of Business; Store with Apartment/Office Farm; Land	26	<u>L.L.B.O.</u> MANDATORY: OPTIONAL:	Sale of Business Commercial/Retail; Farm; Industrial; Investment; Land; Office; Store with Apartment/Office
14	<u>HEAT</u> MANDATORY: OPTIONAL:	Commercial/Retail; Farm; Industrial; Investment; Office; Sale of Business; Store with Apartment/Office Land			

SALE

COMMERCIAL

MLS® DATA INFORMATION FORM

Form 590

DS000007



Listing Data Electronic Permission Fields

GREEN PROPERTY INFORMATION STATEMENT <input type="checkbox"/> Yes <input type="checkbox"/> No	DISTRIBUTE TO DDF™/IDX <input type="checkbox"/> Yes <input type="checkbox"/> No	DISTRIBUTE TO INTERNET <input type="checkbox"/> Yes <input type="checkbox"/> No	DISPLAY ADDRESS ON INTERNET <input type="checkbox"/> Yes <input type="checkbox"/> No
OPEN HOUSE NOTES <input type="text"/>	APPOINTMENTS <input type="text"/>		PERMISSION TO CONTACT LB TO ADVERTISE <input type="checkbox"/> Yes <input type="checkbox"/> No

The following chart is designed to explain how these two fields work in combination if a Brokerage subscribed to these Internet sites:

VOW - Virtual Office Website
 IDX - Internet Data Exchange
 DLA - Data License Agreement

REALTOR.ca - REALTOR® Website
 DDF™ - Data Distribution Facility

Combination Check		Your Listing
Distribute to Internet	Yes	Goes to: VOW, IDX, DLA, REALTOR.ca, DDF™
Distribute to DDF™/IDX	Yes	
Distribute to Internet	Yes	Goes to: VOW, DLA, REALTOR.ca
Distribute to DDF™/IDX	No	Will not go to: IDX, DDF™
Distribute to Internet	No	Will not go to: VOW, IDX, DLA, REALTOR.ca, DDF™
Distribute to DDF™/IDX	Yes or No	

PERMISSION TO CONTACT LB TO ADVERTISE ☐ Yes ☐ No

Important to note: With the exception of the circumstances in the chart above, if a Brokerage wishes to advertise another Brokerage's listing, it must have a separate written permission from the Listing Brokerage's Broker of Record. If Permission to Contact LB to Advertise field says YES, you may contact the Listing Brokerage's Broker of Record to obtain permission to advertise their listing. If Permission to Contact LB to Advertise field says NO, that means that they will not be allowing other Brokerages to advertise their listing at all. If a written permission is not granted, the Brokerage advertising may be in violation of MLS® Rule R-430.

This is Exhibit “E” referred to in the Affidavit of John Karkoulis sworn remotely by John Karkoulis of the City of Kingston, in the Province of Ontario, before me at the City of Maniwaki, in the Province of Quebec, on June 12, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Sandra Ann Noe, a Commissioner, etc., Province of Ontario,
for Borden Ladner Gervais LLP, Barristers and Solicitors.
Expires May 18, 2025.

SALES AND INVESTMENT SOLICITATION PROCESS FOR THE LA SALLE PROPERTY

INTRODUCTION

1. On April 3, 2023, La Salle Motel (Kingston) Ltd. (the "**Company**") filed a notice of intention to make a proposal to its creditors (the "**NOI**") under the Bankruptcy and Insolvency Act, RSC 1985, c B-3, as amended (the "**BIA**"). The Company's proceedings under the BIA are referred to herein as the "BIA Proceedings". The BIA Proceedings will be supervised by the Ontario Superior Court of Justice (the "**Court**").
2. Link & Associates Inc. is the proposal trustee with respect to the NOI and the BIA Proceedings (in such capacity, the "**Proposal Trustee**").
3. The Company's only secured creditor is the Bank of Montreal ("**BMO**"). BMO has agreed to provide certain interim financing to Company during the BIA Proceedings pursuant to the order of the Court dated April 19, 2023.
4. On or before June 21, 2023, the Company will apply to the Court for an Order (the "**SISP Order**"), among other things, approving the sale and investment solicitation process set out herein (the "**SISP**"). Capitalized terms used herein are as defined in the SISP Order unless defined otherwise herein.
5. To assist with implementation of the SISP, the Company has engaged Janis Biro of Royal LePage to act as the SISP Advisor (the "**SISP Advisor**").
6. The SISP Advisor will develop a list of Known Potential Bidders (as defined below), communicate and meet with interested parties, prepare and distribute marketing materials, and manage the Data Room (as defined below).

SISP OVERVIEW

7. The purpose of the SISP is to solicit interest in, and opportunities for a sale of the Company's real estate and its hotel/motel and restaurant business operating assets.
8. The Company owns and operates a full-service hotel in Kingston, Ontario which operates under the Travelodge name along with separate (non-Travelodge) motel facilities and a full-service restaurant known as the Cavalier Room (collectively the "**Business**").
9. The Business operates from real property owned by the Company located at 2360 Princess Street, Kingston, Ontario (the "**La Salle Property**").
10. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a "**Person**") may

gain access to or continue to have access to due diligence materials concerning the La Salle Property and the Business, how bids involving the Business and/or the La Salle Property will be submitted to and dealt with by the Company and SISP Advisor, and how Court approval will be obtained in respect of any Transaction (as defined below).

11. As described below, the various deadlines herein may be extended by and at the discretion of the Company in consultation with the SISP Advisor and the Proposal Trustee. The Company will consider extending the various deadlines herein if it determines, in consultation with the SISP Advisor and the Proposal Trustee, that such an extension will generally benefit the Company's creditors and other stakeholders. The SISP Advisor shall generally conduct and oversee the SISP. If there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.

"AS IS, WHERE IS" BASIS

12. Any transaction involving the La Salle Property and/or the Business (in each case, a "**Transaction**") will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the SISP Advisor, Company, Proposal Trustee, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Final Agreement (as defined herein). The key dates pursuant to the SISP are as follows (capitalized terms in the chart below have the meaning ascribed in the SISP):

<u>Event</u>	<u>Date</u>
The Company's Application to the Court for Approval of the SISP	June 21, 2023
SISP Advisor to review, revise and update all previous marketing materials used in connection with the sale of the Company and La Salle Property and list the Company and La Salle Property for Sale using Multiple Listing Service (MLS)	By June 22, 2023
SISP Advisor to immediately contact all serious Buyers that expressed interest from the last sales process plus any additional serious Buyers that have subsequently emerged	As soon as practical and no later than June 25, 2023
SISP Advisor to circulate the updated and revised marketing information package to commercial brokerage and investment/development firms	As soon as practical and no later than June 25, 2023
SISP Advisor to schedule a "TOUR/INSPECTION DATE" for prospective and qualified clients to take place with cooperation of the Company and Proposal Trustee	On or before July 6, 2023
"OFFER DATE"	July 14, 2023

Acceptance of successful Offer	On or before July 18, 2023
Company's Application to the Court for Approval Order(s)	July , 2023
Closing of the Transaction	Within 30-days of court approved sale.

THE SISP PROCESS

A. Initial Solicitation of Interest

12. On court approval, the SISP Advisor will forthwith list for sale on MLS the La Salle Property and the assets of the Company necessary to continue to operate the Business as a going concern. The SISP Advisor, in consultation with the Proposal Trustee, may contact any Persons to solicit expressions of interest in a Transaction either before or after the granting of the SISP Order.

13. As soon as reasonably practicable and in any event by no later than June 25, 2022, in consultation with the Company and the Proposal Trustee the SISP Advisor will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have interest in a Transaction. Such list shall include all Persons who previously expressed an interest in the La Salle Property and/or the Business previously listed for sale, and shall also include both strategic and financial parties who may be interested in acquiring an interest in:

- a. the Company's combined operating and real estate assets pursuant to an asset purchase transaction which will contemplate operating the Business of the Company as a going concern (an "**Asset Bid**"); or
- b. a bid strictly on the La Salle Property only (a "**Land Bid**"). Concurrently, the SISP Advisor will prepare an initial offering summary (the "**Teaser Letter**") notifying Known Potential Bidders of the SISP and inviting the Known Potential Bidders to express interest in making an Asset Bid or Land Bid (each, a "**SISP Bid**").

15. By no later than June 25, 2023, the SISP Advisor, in consultation with the Company and the Proposal Trustee, shall distribute to the Known Potential Bidders and any other interested Persons the Teaser Letter, as well as a draft form of confidentiality agreement (the "**Confidentiality Agreement**") that shall inure to the benefit of the Person or Persons who make the Winning Bid (as defined herein) pursuant to this SISP. Copies of the Teaser Letter and Confidentiality Agreement shall also be provided to any appropriate Persons who becomes known to the SISP Advisor after the initial distribution of such documents.

16. Any Person who wishes to be deemed a Potential Bidder (as defined below) and proceed to execute a Confidentiality Agreement shall first contact the SISP Advisor for this purpose. The SISP advisor shall inform the Company and the Proposal Trustee of all Potential Bidders. In consultation with the Company and the SISP Advisor, the Proposal Trustee shall, in its sole discretion, determine whether such Person shall be permitted to become a Potential Bidder, based on:

- a. the identity of the Person, including its direct and indirect principals;
- b. the Person's financial capabilities to conclude a Transaction; and
- c. any other criteria the Proposal Trustee considers to be relevant.

17. Any Person whom the Proposal Trustee permits to become a Potential Bidder ("**Potential Bidder**") shall, upon executing a Confidentiality Agreement in form and substance satisfactory to the Company and the Proposal Trustee, be permitted to have access to the Data Room (as defined below) and become entitled to receive certain confidential information.

B. Due Diligence

18. The SISP Advisor shall provide each Potential Bidder with information, including access to an electronic data room established by the SISP Advisor by no later than June __, 2023 (the "**Data Room**"), that the SISP Advisor in its reasonable business judgment and in consultation with the Company and the Proposal Trustee, determines to be necessary for the Potential Bidder to evaluate a transaction involving a SISP Bid.

19. The SISP Advisor, in consultation with the Company and the Proposal Trustee, will prepare a confidential information memorandum ("CIM"), describing the opportunity to make a SISP Bid and shall deliver the CIM to each Potential Bidder as soon as practicable after such Person is deemed to be a Potential Bidder in accordance with this SISP.

20. The Company and the SISP Advisor shall coordinate all reasonable requests for additional information and due diligence access from Potential Bidders. Neither the Company nor the SISP Advisor will be obliged to furnish any information relating to the La Salle Property or the Business other than to a Potential Bidder.

21. The SISP Advisor, the Company and the Proposal Trustee make no representation or warranty as to the information contained in the CIM or otherwise made available pursuant to the SISP, including any information contained in the Data Room.

C. LOI Process

22. Any Potential Bidder who wishes to submit a SISP Bid must deliver a written, non-binding letter of intent (each, a "**LOI**") to the SISP Advisor at the address specified in and in accordance with Schedule "A" hereto so as to be received by the SISP Advisor not later than 5:00 p.m. (Eastern Standard time) on July __, 2023, or such other date or time as the Company may determine, in consultation with the SISP Advisor and the Proposal Trustee (the "**LOI Deadline**").

23. Following the LOI Deadline, all LOIs shall be reviewed by the Company, in consultation with the Proposal Trustee and the SISP Advisor.

24. An LOI shall be a qualified LOI (each, a "**Qualified LOI**") provided that it contains:
- a. a specific indication of the anticipated sources of capital for such Potential Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow the Company and the Proposal Trustee and their respective legal advisors, to make, in their reasonable business or professional judgment, a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a SISP Bid;
 - b. a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the principals of the Potential Bidder and its direct and indirect owners. The letter shall further disclose the relationship the Potential Bidders has to the Company or its directors or officers, including the identification of the Potential Bidder's direct and indirect owners and all of their principals;
 - c. an indication of whether the Potential Bidder wishes to tender an Asset Bid or a Land Bid;
 - d. in the case of an Asset Bid, it identifies:
 - i. the purchase price range (including any liabilities to be assumed by the Potential Bidder and any credit bid);
 - ii. whether the Asset Bid is *en bloc*, and any property expected to be excluded, and/or any additional assets desired to be included in the transaction;
 - iii. the structure and financing of the transaction (including, but not limited to, the sources of financing for the purchase price, preliminary evidence of the availability of such financing and the steps necessary and associated timing to obtain the financing and consummate the proposed transaction and any related contingencies, as applicable);
 - iv. the proposed treatment of employees of the Company;
 - v. the proposed treatment of any material contracts;
 - vi. any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
 - vii. any additional due diligence required or desired to be conducted by the Potential Bidder, if any;
 - viii. any conditions to closing that the Potential Bidder may wish to impose; and

- ix. any other terms or conditions of the Asset Bid which the Potential Bidder believes are material to the transaction;
- e. in the case of a Land Bid, it identifies:
 - i. the purchase price;
 - ii. the structure and financing of the transaction including all requisite financial assurance;
 - iii. any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated timeframe and any anticipated impediments for obtaining such approvals;
 - iv. any additional due diligence required or desired to be conducted by the Potential Bidder, if any;
 - v. any conditions to closing that the Potential Bidder may wish to impose; and
 - vi. any other terms or conditions of the Land Bid which the Potential Bidder believes are material to the transaction; and
- f. such other information as may be requested by the Company or the Proposal Trustee.

25. Any Potential Bidder who submits a Qualified LOI on or before the LOI Deadline, to the satisfaction of the Proposal Trustee in its sole discretion, shall be designated a "Qualified Bidder". In determining whether a Potential Bidder shall be designated a Qualified Bidder, the Proposal Trustee shall consult with the Company and the SISP Advisor.

26. The Proposal Trustee, in consultation with the Company and the SISP Advisor, may waive the strict compliance of one or more of the requirements specified above and deem any LOI to be a Qualified LOI, notwithstanding any noncompliance with the terms and conditions of this SISP.

27. In the event that no Person submits an LOI, or that no LOI qualifies as or is deemed to qualify as a Qualified LOI, or that no LOI is deemed commercially reasonable to the Company and the Proposal Trustee, the Company may, with the approval of the Proposal Trustee, terminate the SISP. If no Qualified LOIs are received by the LOI Deadline, the Company may, with the approval of the Proposal Trustee consider other forms of bids for the Company and/or La Salle Property. At any time during the SISP, the Company may, with the approval of the Proposal Trustee, determine that any bid is a Winning Bid and seek Approval Orders in respect of such Winning Bid from the Court.

D. Final Bid Process

28. The SISP Advisor may invite Qualified Bidders to conduct additional due diligence or otherwise make available to Qualified Bidders additional information not posted in the Data Room, meet with management of the Company, or arrange for inspections and site visits at the La Salle Property. The Data Room will include, among other things, a form of purchase agreement for use by Qualified Bidders in the case of an Asset Bid and or Land Bid.

29. Any Qualified Bidder may submit an Asset Bid or a Land Bid (each, a "**Final Bid**") to the SISP Advisor at the address specified in Schedule "A" hereto on or before 5:00 p.m. (Eastern Standard time) on July 14, 2023, or such later time and date as the Company may determine, in consultation with the Proposal Trustee and the SISP Advisor (the "**Final Bid Deadline**").

30. Final Bids shall be reviewed by the Company, in consultation with the Proposal Trustee and the SISP Advisor.

31. A Final Bid submitted as an Asset Bid shall be a "Qualified Asset Bid" in the event that:

- a. it includes a letter stating that the Asset Bid is irrevocable until the earlier of
 - i. the approval by the Court, and
 - ii. four (4) days following the Final Bid Deadline; provided, however, that if such Asset Bid is selected as the Winning Bid, it shall remain irrevocable until the closing of the transaction contemplated by the Winning Bid, as the case may be;
- b. it includes a duly authorized and executed purchase and sale agreement specifying all the consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto;
- c. it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- d. it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Trustee to allow the Trustee to make a reasonable determination as to the Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Asset Bid;
- e. it is not conditional on
 - i. the outcome of unperformed due diligence by the Qualified Bidder and/or

- ii) obtaining any financing capital and includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid;
 - f. it is not conditional upon any governmental or regulatory approval;
 - g. it fully discloses the identity of each Person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
 - h. it is accompanied by a refundable cash deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the SISP Advisor), in an amount equal to ten percent (10%) of the consideration to be paid in respect of the Asset Bid to be held and dealt with in accordance with this SISP;
 - i. it contains other information requested by the Proposal Trustee or the Company; and
 - j. it is received by no later than the Final Bid Deadline.
32. A Final Bid submitted as a Land Bid shall be a "Qualified Land Bid" in the event that:
- a. it includes definitive documentation, duly authorized and executed by the Qualified Bidder, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt if any, and details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction;
 - b. it includes a letter stating that the Land Bid is irrevocable until the earlier of
 - i. the approval by the Court, and
 - ii four (4) days following the Final Bid Deadline; provided, however, that if such Land Bid is selected as the Winning Bid, it shall remain irrevocable until the closing of the transactions contemplated by the Winning Bid, as the case may be;
 - c. it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
 - d. it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Proposal Trustee, to allow the Proposal Trustee to make a reasonable determination as to the Qualified Bidder's (and its direct and indirect owners and their principals)

financial and other capabilities to consummate the transaction contemplated by the Land Bid;

- e. it is not conditional on
 - i. the outcome of unperformed due diligence by the Qualified Bidder and/or
 - ii. obtaining any financing capital and includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Land Bid;
- f. it is not conditional upon any governmental or regulatory approval;
- g. it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Land Bid, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- h. it is accompanied by a refundable Deposit in the form of a wire transfer (payable to a trust account specified by the SISP Advisor) in an amount equal to ten percent (10%) of the consideration to be paid pursuant to the Land Bid, to be held and dealt with in accordance with this SISP;
- i. it contains other information requested by the Trustee or Company; and
- j. it is received by no later than the Final Bid Deadline.

33. All Qualified Asset Bids and Qualified Land Bids shall constitute "Qualified Final Bids". The Proposal Trustee, in consultation with the Company and the SISP Advisor, may waive the strict compliance of one or more of the requirements specified above and deem any Final Bid(s) to be a Qualified Final Bid and notwithstanding any non-compliance with the terms and conditions of this SISP.

E. Selection of Winning Bid

34. The Company shall review all Qualified Final Bids in consultation with the Proposal Trustee and with the SISP Advisor. The Company may, but shall have no obligation to, enter into a definitive agreement or agreements (each a "**Final Agreement**") with the Person or Persons who submitted the highest, best or otherwise most favourable Qualified Final Bid(s).

35. In the event that the Company enters into one or more Final Agreements on or before 5:00 p.m. (Eastern Standard time) on July 18, 2023, or such later time and date that the Company may determine, in consultation with the Proposal Trustee and SISP Advisor (the "**Final Agreement Deadline**"), any Qualified Bid so selected shall be a "Winning Bid". Any Qualified Bidder that makes a Winning Bid shall be a "Successful Bidder".

36. The Proposal Trustee will notify the Successful Bidder of the Final Agreement.
37. This SISP shall terminate in the event that:
- a. no Qualified Bidder submits or is deemed to have submitted a Qualified Final Bid;
 - b. the Company, in consultation with the Proposal Trustee and SISP Advisor, determines that none of the Qualified Final Bids should be accepted; or
 - c. a Final Agreement has not been entered into before the Final Agreement Deadline.
38. The highest Qualified Final Bid may not necessarily be accepted by the Company. The Company in consultation with the Proposal Trustee and SISP Advisor, reserves the right not to accept any Qualified Final Bid or to otherwise terminate the SISP. The Company, in consultation with the Proposal Trustee and SISP Advisor, further reserves the right to deal with one or more Qualified Bidders to the exclusion of other Persons, to accept a Qualified Final Bid or Qualified Final Bids for some or all of its property, Company or the Business, to accept multiple Qualified Final Bids and enter into multiple Final Agreements.

APPROVAL ORDERS

39. In the event that the Company enters into a Final Agreement, on or before 5:00 p.m. (Eastern Standard time) on July 18, 2023, the Company shall apply as soon as reasonably practicable thereafter, for orders (the “**Approval Orders**”) from the Court, in form and substance satisfactory to the Company and to the Proposal Trustee, approving the transaction contemplated by the Winning Bid and any necessary related relief required to consummate the transaction contemplated by the Winning Bid, subject to the terms of the Final Agreement.
40. An Approval Order shall become a "Final Order" upon satisfaction of the following conditions:
- a. it is in full force and effect;
 - b. it has not been reversed, modified or vacated and is not subject to any stay; and
 - c. all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving the Approval Order wholly operable.

CLOSING

41. Closing of the transactions contemplated in any Final Agreement shall occur within thirty (30) days of the date upon which the Approval Order(s) have become Final Orders, or as may be extended with the approval of the Proposal Trustee, in consultation with the SISP Advisor.

DEPOSITS

42. All Deposits paid pursuant to this SISP shall be held in trust by the SISP Advisor, in a non-interest bearing account. The SISP Advisor shall hold Deposits paid by the Successful Bidder in accordance with the terms outlined in this SISP. In the event that a Deposit is paid pursuant to this SISP and the Company elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the Person that paid such Deposit, the SISP Advisor shall return the Deposit and any interest accrued thereon to that Person.

43. In the event that the Successful Bidder defaults in the payment or performance of any obligations owed to the Company or the Proposal Trustee pursuant to any Final Agreement, the Deposit paid by the Successful Bidder, shall be forfeited to such party as liquidated damages and not as a penalty.

SCHEDULE “A”

Addresses for Deliveries Any notice or other delivery made to the Proposal Trustee pursuant to this SISP shall be made to:

SISP Advisor:

Janis Biro
 Royal LePage Realty Plus
 2575 Dundas Street W.
 Mississauga, ON
 L5K 2M6

Tel: 905.828.6550
 Fax: 905.828.1511
 Email: jbiro@royallepage.ca

Proposal Trustee:

Robert Link
 LINK & ASSOCIATES INC.
 Receivers + Trustees
 7050 Weston Road
 Suite #228
 Woodbridge, Ontario
 L4L 8G7

Tel: 416.737.6655
 Fax: 416.862.2136
 Email: rlink@linkassociates.ca

Lawyer for Proposal Trustee:

Pavle Masic
 Ricketts Harris LLP
 Barristers and Solicitors
 181 University Ave, Suite 800
 Toronto, ON M5H 2X7

Tel: 647.260.2201
 Fax: 647.260.2225
 Email: pmasic@rickettsharris.com

Deliveries pursuant to this SISP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SISP shall be deemed to be received when delivered to the relevant address, as identified above.

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT

R.S.C., 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LA SALLE MOTEL
CO. (KINGSTON) LTD., A CORPORATION INCORPORATED UNDER THE LAWS OF THE PROVINCE OF
ONTARIO

Estate/Court File No. 33-2929085

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Ottawa

AFFIDAVIT

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Jason Dutrizac (50004T)

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T: 613.787.3535 direct

Lawyer for the Applicant

File Number: 346075/000004

RCP-F 4C (September 1, 2020)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT
R.S.C., 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LA SALLE MOTEL
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ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Ottawa

MOTION RECORD

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Lawyer for the Applicant

File Number: 346075/000004

RCP-F 4C (September 1, 2020)