

Receiver's Q&A for Pre-Construction Unit Purchasers of the Twelve Oaks Towns Project

This Q&A is provided by the Court-appointed Receiver for general information only. It is not legal advice and should not be relied upon as such. Nothing in this document constitutes a representation, warranty, promise, or commitment by the Receiver or any stakeholder. Purchasers' rights and obligations are governed solely by their Agreements of Purchase and Sale, applicable legislation and policies, common law, and any Court orders made in the receivership proceedings. Purchasers are advised to obtain independent legal advice.

This Q&A should be read as a whole. Terms defined in one section are given the same meaning in other sections. Please pay particular attention to the "Important Notes" section at the end of this document.

We encourage you to also consult the Receiver's main webpage (noted below) related to this proceeding which contains the motion materials submitted to the Court by the Receiver and others, and decisions made by the Court. That page will be updated from time to time.

Who is the Receiver?

- On May 2, 2025, the Ontario Superior Court of Justice (the "**Court**") issued an order (the "**Appointment Order**") appointing Deloitte Restructuring Inc. ("**Deloitte**") as the court-appointed receiver (in such capacity, the "**Receiver**") over all of the assets, undertakings and properties (collectively, the "**Property**") of each of GC King Bond Limited Partnership and GC King Bond GP Inc. (together, "**King Bond**").
- The Court appointed the Receiver to take control of the Property (which includes the 'Twelves Oaks Project') and run a court-supervised process to preserve and maximize value for all stakeholders.

What is happening with the Twelve Oaks Project as of October 2025?

- The Receiver is running a court-approved sale and investment solicitation process ("**SISP**") to sell King Bond's assets, including the Twelve Oaks Project.
- On September 18, 2025, the Court approved the SISP. Details of the SISP can be found in the Receiver's first report dated September 12, 2025, together with information pertaining to the receivership of King Bond, which is available on the Receiver's case website (the "**Website**") at: <http://www.insolvencies.deloitte.ca/kingbond>
- What happens to each APS will depend on the winning bid and the Court's orders.
- There is no limit on what a bidder may propose in purchasing the assets, but the most common bids in similar situations to this one are:

- a sale of the property “free and clear” (which typically requires cancelling, or “disclaiming,” existing purchase agreements); or,
- a transaction that assumes or assigns some or all of the existing Agreements of Purchase and Sale (each an “APS”).

What does “disclaiming” an APS mean?

- A disclaimer is a court-authorized termination of an APS by the Receiver on notice to any affected purchasers. Courts often permit these disclaimers in receiverships to enable a sale, and to maximize value when the winning bidder is not willing to take on existing APS obligations. At this time no APSs have been disclaimed by the Receiver, but that may change and will largely be determined by the result of the SISP.
- If your APS is disclaimed, you will not be required to close the transaction to buy the property you agreed to purchase. You would then follow the applicable process to seek a return of your deposit (see “How do I get my deposit back?” below). If your APS is affirmed and assumed by a purchaser of the Property, you will be required to complete your agreement to purchase.

Can I terminate my APS and have my deposit returned?

- Pursuant to the Appointment Order, there is a stay of proceedings against King Bond. As such, no APS can be terminated at this point by a purchaser without approval of the Court or the Receiver. The Receiver will not be approving any APS terminations until at least the completion of the SISP.

Could my APS be assigned to a new developer?

- Yes. Some bidders may offer to assume or take an assignment of some, or all, of the APSs. If a bidder proposes to assume an APS and finish construction, you will be given notice if your APS will be affected. If your APS is assigned, the assignee will be entitled to the benefit of your deposit and will be entitled to require you to complete the transaction contemplated by the APS in accordance with the terms set out therein. Any assignment process will be approved by the Court.

What if I believe that my APS was terminated prior to the receivership, but I didn’t sign a release or get my deposit back?

- At this time the Receiver is operating on the understanding that there are no terminated APSs but recognizes that the records of King Bond may be imperfect. If you believe your APS was terminated, please send the Receiver copies of all written documents and emails showing the stated termination, any signed term sheets, and proof of any promised refund.

Are the deposits insured?

- Yes, the deposits are insured under Ontario's new home warranty and protection plan that is administered by Tarion Warranty Corporation ("**Tarion**") and/or through private surety insurance, in this case, provided by Aviva Insurance Company of Canada ("**Aviva**") through its agent Westmount Guarantee Services Inc. ("**Westmount**"). However, the extent to which the deposits are insured is dependent on a number of factors, including whether it is a deposit for a freehold or condominium unit, the terms and conditions of "Excess Deposit Insurance" and sureties, and the coverage limits. All purchasers are asked to refrain from contacting Aviva and Westmount as there is nothing they can do at this time (see "How do I get my deposit back?" below for more information).
- The following is a link to the Tarion website that has been set-up in connection with the the receivership proceedings of King Bond: <https://www.tarion.com/media/deposit-protection-takes-stress-out-buying-new-homes>

How do I get my deposit back if my APS is disclaimed?

- The Receiver has been in contact with counsel to both Aviva (the private deposit insurer for the Twelve Oaks Project) and Tarion to begin discussions on deposit return process in the event APSs are disclaimed.
- At this time, no return process has been decided as it will be largely driven by the outcome of the SISP.
- Any deposit return process will require Court approval and will be on notice to the purchasers.
- The Receiver will send additional information once it's clear whether APSs are being assumed or disclaimed as a result of the outcome of the SISP. In the event APSs are disclaimed, the affected purchasers will be requested to submit claims after the deposit return process has been approved by the Court.

My deposit was paid to the builder's lawyer. Is it safe?

- Robins Appleby LLP ("**Robins Appleby**") was the lawyer for King Bond and received the deposits for this project. The Appointment Order confirms deposit monies held in trust or by a surety/agent are not part of the Property to be administered by the Receiver.
- Robins Appleby has advised the Receiver that it is holding 100% of the condo purchasers deposit funds in its condo deposit trust account.

- Robins Appleby has provided information to the Receiver showing it advanced some of the freehold deposits to King Bond. The Receiver understands that these funds were advanced for the purposes of the development of the Twelve Oaks Project.
- The Receiver is not accessing any of the deposit funds to finance the ongoing receivership.

When will we know there is a winning bidder for the Project?

- This SISP is scheduled to run until approximately February 2026. However, timelines may be adjusted depending on market feedback to the SISP, the Receiver's judgment, and Court availability.

What documents will I need to make a claim in respect of my deposit?

- At this time, you do not need to provide any additional information to the Receiver. If there are deposits to return, the Receiver will implement a protocol which will set out at that time what is required of you.
- You can anticipate that you will likely need: your signed APS and schedules, ID, proof and breakdown of deposits paid (receipts, bank confirmations), any amendments/terminations, and your contact details.
- Please do not send banking details to the Receiver until or unless we ask you to, and only through the secure channels we provide. Additional items may be requested by the Receiver, Tarion or surety.

How will I know what's happening?

- The Receiver will post updates and Court documents to the Website, and, where appropriate, email/mail notices to the most recent contact information that the Receiver has on file.

I'm worried about scams. How will the Receiver contact me?

- The Receiver will contact you from Deloitte email domains and provide updated information on the receivership proceedings via the Website. If in doubt, call the number on the Website to verify. We will never ask you to send funds or sensitive information through unsecured links or over the phone.

Important Notes

- References to Tarion, Aviva, Westmount, or any other insurer/surety are for convenience only and do not imply endorsement, approval, or agreement by those entities with any content in this Q&A.
- Information in this Q&A is current as of October 28, 2025, and may be updated or replaced. The Receiver has no obligation to update purchasers except as required by law or Court order. We encourage you to review the Website and these Q&A from time to time until your issue is resolved, or the matter is deemed complete by the Court.
- This Q&A is provided on an informational, non-reliance basis to assist purchasers in understanding the receivership process. It does not amend, supplement, waive, interpret, or replace any Agreement of Purchase and Sale, disclosure documents, insurance policy, or any order of the Court.
- The Receiver makes no representations or warranties, express or implied, about the accuracy, completeness, or currency of the information, which is provided “as is,” without prejudice, and subject to change without notice and to the supervision and orders of the Court. Any timelines or process descriptions are estimates only and may be varied by the Court, by applicable law or policy, or as circumstances evolve. Purchasers must rely on the terms of their own agreements and on independent legal advice.
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