

Court File No. BK-23-00459641-0031
Estate No.: 31-459641

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE BANKRUPTCY OF
INTEGRO BUILDING SYSTEMS INC.,
OF THE CITY OF VAUGHAN,
IN THE PROVINCE OF ONTARIO

AIDE MEMOIRE OF ROYAL BANK OF CANADA
CASE CONFERENCE – APRIL 19, 2024

April 18, 2024

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower

22 Adelaide St. W.

Toronto, ON M5H 4E3

Tel: (416) 367-6000

Fax: (416) 367-6749

Roger Jaipargas – LSO No. 43275C

Tel: (416) 367-6266

Email: rjaipargas@blg.com

Douglas Smith – LSO No. 36915R

Tel: (416) 364-6015

Email: dsmith@blg.com

Lawyers for Royal Bank of Canada

OVERVIEW

1. Royal Bank of Canada (“**RBC**”) submits this Aide Memoire in respect of the case conference on April 19, 2024 in which MNP Ltd. (“**MNP**”), as trustee in bankruptcy (the “**Trustee**”) of Integro Building Systems Inc. (the “**Bankrupt**”), is requesting a hearing of its Motion for an Administrative Order (the “**Administrative Order**”): (a) approving the First Report of the Trustee dated February 14, 2024 (as supplemented by a Supplemental Report dated February 22, 2024, the “**First Report**”) and the activities described therein; and (b) approving the fees and disbursements of the Trustee and its legal counsel, as detailed in the First Report and the Affidavit of Sheldon Title sworn February 14, 2024 and the Affidavit of Jane Dietrich sworn February 14, 2024 (together, the “**Fee Affidavits**”).

2. RBC does not dispute the quantum of the fees and disbursements claimed by the Trustee and their counsel, Cassels Brock & Blackwell (“**Cassels**”). Rather, RBC only disputes the source of payment of such fees and disbursements and takes the position that the payment of such fees and disbursements cannot be made to the prejudice of the secured claims of RBC as the senior secured creditor of the Bankrupt.

3. Accordingly, RBC seeks an order and an endorsement declaring that the fees and disbursements of the Trustee and Cassels, not be paid out of the estate of the Bankrupt (the “**Estate**”) in priority to RBC, as the senior secured creditor of the Bankrupt.

BACKGROUND

4. By way of background, RBC is the senior secured creditor of the Bankrupt and its security over all of the present and after-acquired property, assets and undertaking of the Bankrupt is valid and enforceable, as confirmed in the opinion of Cassels, a true copy of which is attached as Exhibit “B” to the Affidavit of Barry Mutis sworn March 4, 2024 (the “**Mutis Affidavit**”), which is included in the Motion Record of RBC dated March 4, 2024.

5. Pursuant to the evidence of indebtedness dated March 15, 2012 (the “**EOI**”), RBC provided certain credit facilities to the Bankrupt, on the terms and conditions as outlined in the EOI, a true copy of which is attached as Exhibit “A” to the Mutis Affidavit.

6. Without notice to RBC, the Bankrupt made an assignment in bankruptcy on August 31, 2023 under section 49(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

(the “**BIA**”) and MNP was appointed as Trustee. The Trustee did not, in and around the time of its appointment, seek to enter into any fee arrangement with RBC.

7. The Trustee and the Canada Revenue Agency (“**CRA**”) entered into an administrative agreement dated November 7, 2023, as amended on February 29, 2024 (the “**Administrative Agreement**”), pursuant to which CRA consented to allowing for the protection of the fees and disbursements of the Trustee and Cassels in an amount of up to \$305,560.13. CRA has asserted certain claims against the Estate, including a deemed trust claim in respect of unremitted source deductions which it has valued at \$3,534,468.52 (the “**Deemed Trust Claim**”).

8. The Trustee also entered into an engagement letter with Integro dated August 28, 2023 (the “**MNP Engagement Letter**”), which letter included a third-party deposit agreement attached as Schedule A thereto, pursuant to which Hi-Rise Vista Holdings Inc., 61/67 Claireville Holdings Ltd. and Chafhold Corporation (collectively, the “**Indemnitors**”) deposited with the Trustee an amount of \$287,000 (the “**Retainer**”) for the purpose of guaranteeing the costs, fees and disbursements of the Trustee and its counsel.

9. The MNP Engagement Letter further provided for a fee indemnity agreement attached as Schedule B thereto (the “**Fee Indemnity Agreement**”), pursuant to which the Indemnitors agreed to be liable to pay the balance of any of the Trustee’s fees and disbursements, if any, in the event that the Retainer was insufficient to fund such fees and disbursements of the Trustee.

10. On February 23, 2024, the Court granted the approval and vesting order (the “**AVO**”) pursuant to which it approved the sale of certain assets of the Bankrupt to State Window Corporation. A copy of the AVO is attached as Appendix “**A**” hereto.

11. On March 8, 2024, the Court granted an adjournment of the Trustee’s motion for the Administrative Order, noting that RBC has expressed concerns about the Trustee’s activities, and that the adjournment may yield additional clarity about any further realizations. A copy of the Court’s endorsement dated March 8, 2024 is attached as Appendix “**B**” hereto.

12. On March 15, 2024, the Trustee delivered a letter to RBC and CRA inquiring about their expectations of the Trustee with respect to collection efforts, a copy of which is attached as Appendix “**C**” hereto. On April 10, 2024, RBC delivered a letter of response (the “**BLG April 10**”).

Letter”) in which RBC, among other things, requested information in connection with all accounts receivable, and confirmed that it never agreed to the arrangements in place between CRA and the Trustee with respect to the Administrative Agreement or indicated that it would support the payment of the fees or expenses of the Trustee and Cassels ahead of RBC’s secured claims. Further, RBC requested the Trustee’s and CRA’s agreement to a revised Administrative Order attached to the BLG April 10 Letter. A copy of the BLG April 10 Letter is attached as Appendix “**D**” hereto.

13. On April 12, 2024, the Trustee delivered a letter in response to the BLG April 10 Letter (the “**Cassels April 12 Letter**”) in which the Trustee confirmed its consent to the revised Administrative Order attached to the BLG April 10 Letter, subject to the approval of its activities. The Trustee further advised of its intention to wind-up the Bankrupt’s estate and seek its discharge. A copy of the Cassels April 12 Letter is attached as Appendix “**E**” hereto.

14. On April 13, 2024, the CRA delivered a letter in response to the BLG April 10 Letter (the “**CRA April 13 Letter**”), wherein CRA confirmed that it will consent to allowing the Trustee’s and Cassels fees and expenses, up to a total amount of \$305,560.13, to be paid from the proceeds payable to the CRA in respect of its Deemed Trust Claim, provided that the Trustee will first apply the Retainer to its fees and expenses.

RBC’S POSITION

15. With the benefit of the last few weeks since this matter was last before Justice Black on March 8, 2024, the parties have had an opportunity to pursue a partial resolution of the various issues, prior to returning to Court for the case conference on April 19, 2024. As a result of further engagement as between RBC, CRA and the Trustee, the parties have settled on a form of Endorsement that addresses RBC’s concerns on the issue of the Fees (as defined below) of the Trustee and Cassels.

16. It is RBC’s position that the Trustee is not entitled be paid out of the proceeds of realization of the Estate in priority to the secured claims of RBC (the “**Secured Claim**”), and instead it should have resort to the several layers of protection in place with respect to the fees and disbursements of the Trustee and Cassels (the “**Fees**”).

17. The Trustee and Cassels have recourse to the following sources of funds in respect of the Fees:

- (a) the full amount of the Retainer;
- (b) the Indemnitors pursuant to the Fee Indemnity Agreement; and
- (c) payment of the Fees out of the Crown's priority claim (Deemed Trust Claim) against the Estate pursuant to the Administrative Agreement.

18. As indicated in the Trustee's Motion Record dated February 15, 2024, the Trustee's accounts for the period from August 28, 2023 to January 31, 2024 total \$263,778.10 (exclusive of HST), and Cassels' accounts for the period from August 31, 2023 to January 31, 2024 total \$68,609.42 (exclusive of HST), to a total of \$332,387.52. Pursuant to the Retainer and the Administrative Agreement, a total of \$592,560.13 is available to the Trustee and its counsel for the payment of the Fees. With respect to any further Fees that have been incurred since January 31, 2024, the Trustee and Cassels have recourse to the sources of payment set out in paragraph 16 above.

19. Courts have repeatedly held that trustees are not entitled to the payment of their fees and expenses in priority to the claims of secured creditors, and that such fees and expenses of the trustee are subordinate to secured claims.

20. In *Avery Trucking Inc. (Receiver of) v. Avery's Trucking In. Estate (Trustee of)*, the Registrar of the Nova Scotia Supreme Court denied a claim made by a trustee in bankruptcy that it was entitled to its fees and expenses in priority to the claims of secured creditors. The Registrar referenced ss. 71 and 128(3) of the BIA, and found that these provisions made it clear that the rights of secured creditors stand and are unimpeded by proceedings in bankruptcy,¹ and the property over which they hold security does not become part of the property in bankruptcy and is not available to ordinary creditors, unless such property is redeemed in accordance with s. 128(3) of the BIA. Citing the 2012-2013 *Annotated Bankruptcy and Insolvency Act*, Houlden, Morawetz and Sara at page 497, the Registrar noted:

The effect of ss. 70(1) and 71 with respect to secured creditors is that the interest of a secured creditor in the property of the bankrupt never loses its priority over the claims of other creditors, never passes into the hands of the trustee and never becomes a part of the property in the hands of the trustee to be divided among the creditors proving in bankruptcy, unless

¹ *Avery Trucking Inc. (Receiver of) v. Avery's Trucking In. Estate (Trustee of)*, 2013 NSSC 302 ["Avery"], at para 7.

the trustee redeems the property by paying out the claim of the secured creditor as permitted by s. 128(3). [emphasis added]

21. The Registrar also considered s. 39(2) of the *BIA*, which provides for the entitlement of the trustee to remuneration not exceeding 7.5% of the realization of the property after the claims of the secured creditors have been paid or satisfied. The Registrar stated that s. 39(2) does not provide any basis whereby the trustee can claim any priority over the secured creditors for its fees.² Citing Houlden, Morawetz and Sara at page 667, the Registrar noted that if the secured creditor does not agree to pay for conservatory measures and the trustee incurs expenses in conserving assets covered by the claim of a secured creditor, the secured creditor will not be liable for such expenses.³ The Registrar further noted that the trustee had taken the risk that there would be no surplus to cover its fees and expenses;⁴ however, given that there was a retainer in the amount of \$5,000, the Registrar held that if the retainer was provided by a third party to induce the trustee to take on the file, it would be proper for the trustee to apply the deposit against its fees.⁵ Ultimately, the Registrar held that the receiver appointed by the secured creditors was entitled to the assets realized by the trustee, subject to the payment of a deemed trust claim in favour of the CRA.⁶

22. In so concluding, the Registrar relied on *Re Stadnick*, another case where the court held that a trustee was not entitled to deduct its fees and disbursements from funds otherwise payable to a secured creditor. It found that there were no provisions in the *BIA* which granted the trustee any priority over secured creditors.⁷ The court also pointed to s. 39(2), finding that it provided for the precedence of secured claims over the remuneration of the trustee.⁸ The court further referred to s. 136(1) of the *BIA*, and concluded that, based on the legislative distribution scheme under the *BIA*, the trustee's remuneration enjoys no priority over secured creditors, and the rights of the trustee to its fees and expenses were therefore postponed to the rights of secured creditors.⁹ The court recognized that there may be occasions where no compensation is available for a trustee, and this

² *Avery*, at para 14.

³ *Avery*, at para 22; *Re Joly-Sac Inc.* (1991), 12 CBR (3d) 182 (QCA).

⁴ *Avery*, at para 23.

⁵ *Avery*, at para 24.

⁶ *Avery*, at paras 25-26.

⁷ *Stadnick (Re)*, 2 CBR (3d) 7 (SK KB) [*"Stadnick"*], at para 10.

⁸ *Stadnick*, at para 10.

⁹ *Stadnick*, at paras 15-16.

is a contingency that a trustee ought to take precautions against, such as by taking a deposit or obtaining an indemnity before undertaking the work of conserving or realizing on the assets.¹⁰

23. In both *Avery* and *Stadnick*, reference was made to s. 39(2) which makes it clear that the remuneration of the trustee is to be calculated on the amount remaining out of the property after the claims of secured creditors have been paid or satisfied.¹¹ Although s. 39(5) provides that the court may vary the amount of the trustee's remuneration as set forth in s. 39(2), the Registrar of the British Columbia Supreme Court in *Re ASI Acoustical Supplies Inc.* held that s. 39(5) does not provide the authority to order a secured creditor to pay the trustee remuneration for realizing on its security.¹²

24. In *Re ASI Acoustical Supplies Inc.*, where a trustee proceeded to collect accounts receivable knowing that they were subject to the security interest of a bank and that there was no surplus for the bankrupt estate, the court refused to allow the trustee any remuneration for collecting the receivables. The court was of the view that the trustee proceeded at its peril to collect accounts receivable knowing that they were subject to security interests and should have made an arrangement with the secured creditor for payment of the fees before proceeding with the collection of the accounts. It therefore ordered the trustee to provide a revised statement of accounts which contemplated the remuneration of the trustee out of any amount remaining after the claims of secured creditors have been paid.¹³

25. The foregoing cases support the position that a trustee is not entitled to its fees and expenses in priority to the claims of secured creditors, and that in instances where there may not be sufficient funds remaining to pay the trustee's fees and expenses, the trustee should take precautions against this risk vis-à-vis an arrangement such as a retainer or indemnity. The Trustee, having obtained the Retainer and the Indemnity Agreement, should look to those sources and should not be paid its Fees out of the Estate in priority to RBC's Secured Claim.

¹⁰ *Stadnick*, at para 18; Lloyd W. Houlden, Geoffrey B. Morawetz and Dr. Janis P. Sarra, *Bankruptcy and Insolvency Law of Canada*, 4th ed. (Toronto: Ontario: Thomson Reuters), at §6:259.

¹¹ Lloyd W. Houlden, Geoffrey B. Morawetz and Dr. Janis P. Sarra, *Bankruptcy and Insolvency Law of Canada*, 4th ed. (Toronto: Ontario: Thomson Reuters), at §6:259.

¹² *Re ASI Acoustical Supplies Inc.* (1999), 14 CBR (4th) 167 (BCSC) [*“ASI Acoustical”*], at para 21.

¹³ *ASI Acoustical*, at paras 19 and 22.

26. Further, the Fees cannot be added to the Deemed Trust Claim. Directive 12R – Administrative Agreements with Insolvency Practitioners, issued by the Office of the Superintendent in Bankruptcy (“**Directive 12R**”),¹⁴ sets out the relevant guidance with respect to administrative agreements between CRA and trustees in connection with the fees and disbursements relating to the administration of a bankrupt estate and outlines CRA’s position regarding the payment of some or all of such fees and disbursements with regard to the Crown’s priority claim(s).¹⁵

27. Directive 12R provides that CRA will consider allowing the payment of reasonable fees and costs of the administration of an estate out of the Crown’s priority claim.¹⁶ Such fees and costs are those related to the general administration of the estate and/or to the realization of assets against which the Crown’s priority claim applies, and includes the trustee’s costs and expenses in possessing, storing, insuring and/or selling such assets.

28. Directive 12R specifically provides that in allowing the payment of reasonable fees and costs of the Crown’s priority claim(s), administrative agreements for such allowance by CRA are not binding on other creditors holding a priority over fees and costs for administration of the estate.¹⁷

29. Directive 12R also includes the guidance that in instances where a secured creditor has not released its security interest against the property of the bankrupt, and the estate does not have sufficient assets or funds to cover the administrative costs of the estate as a result, CRA will typically not enter into an administrative agreement with a trustee for the allowance of the trustee’s administrative fees and costs,¹⁸ which indicates that it is not the purpose or intention of such administrative agreements to provide protection for a trustee’s fees and costs at the expense of or in priority to the claims of secured creditors.

¹⁴ *Administrative Agreements with Insolvency Practitioners*, May 7, 2010: <https://ised-isde.canada.ca/site/office-superintendent-bankruptcy/en/licensed-insolvency-trustees/notices-trustees-canada-revenue-agency/administrative-agreements-insolvency-practitioners>.

¹⁵ Directive 12R, p. 3.

¹⁶ Directive 12R, p. 3.

¹⁷ Directive 12R, p. 4.

¹⁸ Directive 12R, p. 8.

30. Further, Directive 12R provides that CRA will typically only make such allowances for the payment of a trustee's fees and costs out of the Crown's priority claim(s) in instances where funding for such fees and costs from third-party sources is not available. In that regard, Directive 12R provides explicit guidance for trustees to arrange for third-party deposit or guarantee arrangements when accepting an appointment as trustee in order to secure recovery of administrative costs, in recognition of the fact that there may be insufficient funds in the estate to cover administrative costs after the payment of the claims of other creditors. Directive 12R states that trustees should look to such third-party deposit or guarantee arrangements before seeking recovery of their administrative costs from amounts available for the Crown's priority claim(s).¹⁹

31. The provisions of Directive 12R outlined above are indicative of the following:

- (a) administrative agreements are intended to address CRA's position on allowing the payment of a trustee's reasonable fees and costs out of the Crown's priority claim as they relate to the general administration of the estate and/or the realization of an asset against which the Crown's claim applies;
- (b) trustees are expressly encouraged to enter into third-party deposit, guarantee or indemnity arrangements, and are directed to exhaust such third-party sources of recovery before seeking recovery of fees and costs out of the Crown's claim; and
- (c) CRA generally enters into administrative agreements where there are no persisting security interests or claims by secured creditors, or where such interests have been released, and where funding for the trustee's administrative costs from third-party sources is not available.

32. As emphasized in Directive 12R, the Administrative Agreement and the protection for the Fees provided thereunder is not binding on RBC. The Trustee should therefore be required to exhaust the above-mentioned third-party sources of recovery in respect of the Fees before seeking recovery out of the Estate and should only be entitled to recovery from remaining funds, if any, after RBC's Secured Claim has been fully satisfied.

¹⁹ Directive 12R, p. 4.

33. With respect to the approval of the Trustee's activities, as set out in the First Report, as well as the approval of the First Report, RBC does not support same, as reflected in the revised Administrative Order that was attached to the BLG April 10 Letter.

34. This is not a case where a court-appointed officer is seeking approval of its activities as part of an ongoing insolvency proceeding. Rather, the Trustee sought relief from the Court in the form of the AVO in connection with a one-time sale transaction, which RBC did not take a position on. The Trustee conveniently included in their Motion Record, which sought the AVO, a stand-alone Order in the form of the Administrative Order, which seeks approval of its activities and the First Report, which RBC has taken issue with, in the materials filed by RBC in connection with the Trustee's motion. As a result, RBC is requesting the deletion of one paragraph in the Administrative Order that purports to approve the First Report and the activities of the Trustee set out therein, as same is not required and not appropriate in the circumstances.

35. In *Cosa Nova Fashions Ltd. v. The Midas Investment Corporation*, the Court declined to grant a general order approving the activities of a receiver. The Court held that a generic approval of actions referred to in a report to the Court is meaningless in the absence of specific issues being raised and decided, noting that the Court was asked to approve a sales process and any orders made in that regard would include all findings necessary to lead to that order.²⁰ Given that the AVO has been granted, there is no specific reason for an approval of the Trustee's activities, or the First Report, to be granted, especially in light of the concerns expressed by RBC with respect to the Trustee's activities, as noted the materials filed by RBC to date, including the BLG April 10 Letter.

²⁰ *Cosa Nova Fashions Ltd. v. The Midas Investment Corporation*, 2021 ONSC 3989, at para 2.

Appendix A

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE) FRIDAY, THE 23RD
)
JUSTICE WILTON-SIEGEL) DAY OF FEBRUARY, 2024

**IN THE MATTER OF THE BANKRUPTCY OF
INTEGRO BUILDING SYSTEMS INC.,
OF THE CITY OF VAUGHAN,
IN THE PROVINCE OF ONTARIO**

APPROVAL AND VESTING ORDER

THIS MOTION, made by MNP Ltd. in its capacity as licensed insolvency trustee (the “**Trustee**”) of Integro Building Systems Inc. (the “**Bankrupt**”) for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) in respect of certain assets contemplated by an asset purchase agreement (the “**APA**”) between the Trustee as vendor and State Window Corporation (the “**Purchaser**”) as purchaser dated as of January 24, 2024 and appended to the First Report of the Trustee dated February 14, 2024 (the “**First Report**”), and vesting in the Purchaser the Trustee’s right, title and interest, if any, in and to the Property (as defined in the APA), was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Trustee, the First Report and the Appendices thereto, including the Confidential Appendices, and on hearing the submissions of counsel for the Trustee, the Purchaser and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Alec Hoy sworn February 16, 2024,

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 in the APA, as applicable.

APPROVAL OF THE TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the APA by the Trustee is hereby authorized and approved *nunc pro tunc*, with such minor amendments as the Trustee may deem necessary. The Trustee is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Trustee's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Trustee's Certificate**"), all of the Trustee's right, title and interest, if any, in and to the Property shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (ii) those Claims listed on **Schedule "B"** (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property upon the delivery of the Trustee's Certificate.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property shall stand in the place and stead of the Property, and that from and after the delivery of the Trustee's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Trustee to file with the Court a copy of the Trustee's Certificate, forthwith after delivery thereof by the Trustee to the Purchaser.

7. **THIS COURT ORDERS** that, notwithstanding the pendency of these proceedings, the vesting of the Property in the Purchaser pursuant to this Order shall be binding on the Trustee, shall not be void or voidable by creditors of the Bankrupt, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SEALING

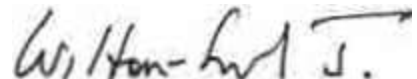
8. **THIS COURT ORDERS** that the Confidential Appendices to the First Report are hereby sealed until the Closing of the Transaction.

GENERAL

9. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

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



SCHEDULE "A"
FORM OF TRUSTEE'S CERTIFICATE

Court File No.: BK-23-00459641-0031
Estate No.: 31-459641

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
INTEGRO BUILDING SYSTEMS INC.,
OF THE CITY OF VAUGHAN,
IN THE PROVINCE OF ONTARIO

TRUSTEE'S CERTIFICATE

RECITALS

A. On August 30, 2023, Integro Building Systems Inc. (the "**Bankrupt**") filed a voluntary assignment in bankruptcy (the "**Assignment**") under section 49(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and, on August 31, 2023, the Assignment was accepted by the Office of the Superintendent of Bankruptcy (Canada) and MNP Ltd. was named as licensed insolvency trustee (in such capacity, the "**Trustee**") of the Bankrupt's estate.

B. Pursuant to an Order of the Court dated February 1, 2024, the Court approved the asset purchase agreement attached as Appendix "L" to the First Report to Court of the Trustee dated February 14, 2024 (the "**APA**") between the Trustee as vendor and State Window Corporation (the "**Purchaser**") as purchaser and provided for the vesting in the Purchaser of all of the Trustee's right, title and interest, if any, in and to the Property (as defined in the APA), which vesting is to be effective with respect to the Property upon the delivery by the Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the APA) for the Property; (ii) that the other conditions to Closing as set out in the APA have been satisfied or waived by the Trustee and the Purchaser; and (iii) that the transaction pursuant to the APA (the "**Transaction**") has been completed to the satisfaction of the Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA.

THE TRUSTEE CERTIFIES the following:

1. The Purchaser has paid, and the Trustee has received, the Purchase Price for the Property payable pursuant to the APA;
2. The other conditions to Closing as set out in the APA have been satisfied or waived by the Trustee and the Purchaser, as applicable; and
3. The Transaction has been completed to the satisfaction of the Trustee.

This Trustee's Certificate was delivered by the Trustee at _____ [TIME] on _____ [DATE].

MNP Ltd., solely in its capacity as licensed insolvency trustee of the estate of Integro Building Systems Inc., and not in its personal capacity

Per: _____

Name: Matthew Lem
Title: Senior Vice President

SCHEDULE "B"

CLAIMS TO BE DELETED AND EXPUNGED FROM TITLE TO THE PROPERTY

- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230828 1514 9234 9687 and reference file number 796632174 in favour of the Purchaser;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230822 0821 1901 2192 and reference file number 796430412 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230714 1517 1590 2197 and reference file number 795280527 in favour of the Bercon Rentals Inc.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230705 0827 1902 6896 and reference file number 794951694 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230612 1227 1590 7300 and reference file number 794223567 in favour of Bercon Rentals Inc.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230601 1218 1901 3993 and reference file number 793894158 in favour of Vault Credit Corporation;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230419 0843 1901 8936 and reference file number 792484254 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230418 1724 1902 1179 and reference file number 792468522 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230404 1804 1532 9460 and reference file number 792097722 in favour of Royal Bank of Canada;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230126 0834 5064 8497 and reference file number 790247889 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20230126 0918 5064 8770 and reference file number 790251111 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20221026 0923 5064 9913 and reference file number 787885569 in favour of TIP Fleet Services Canada Ltd.;

- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20221025 0919 5064 8795 and reference file number 787841802 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20221013 1136 1590 3988 and reference file number 787534101 in favour of Bercon Rentals Inc.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20220322 0932 1902 3905 and reference file number 781293348 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20220127 0914 1902 1045 and reference file number 779948739 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20211224 0918 1901 1005 and reference file number 779286618 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20210915 0911 1902 8986 and reference file number 776393784 in favour of TIP Fleet Services Canada Ltd.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20210818 1004 1462 7885 and reference file number 775525788 in favour of Vault Credit Corporation;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20210602 0909 1590 3660 and reference file number 773048403 in favour of Integro IBS Holdings Inc.;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20180131 1930 1531 5257 and reference file number 736119459 in favour of Royal Bank of Canada;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20180131 1930 1531 5258 and reference file number 736119468 in favour of Royal Bank of Canada;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20170411 1439 1530 0388 and reference file number 726519492 in favour of Royal Bank of Canada;
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20170110 1538 1862 5161 and reference file number 723975075 in favour of Export Development Canada; and
- *Personal Property Security Act* (Ontario) financing statement filed against the Bankrupt with registration number 20150304 0946 1590 0907 and reference file number 703987056 in favour of Integro IBS Holdings Inc.

Court File No.: BK-23-00459641-0031
Estate No.: 31-459641

IN THE MATTER OF THE BANKRUPTCY OF INTEGRO BUILDING SYSTEMS INC. IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, ON M5H 0B4

Jane Dietrich LSO#: 49302U
Tel: 416.860.5223
jdietrich@cassels.com

Alan Merskey LSO#: 41377I
Tel: 416.860.2948
amerskey@cassels.com

Alec Hoy LSO#: 85489K
Tel: 416.860.2976
ahoy@cassels.com

Lawyers for MNP Ltd. as Trustee of Integro Building Systems Inc.

Appendix B



SUPERIOR COURT OF JUSTICE

ENDORSEMENT

COURT FILE NO.: BK-23-00459641-0031 DATE: March 8, 2024

NO. ON LIST: 2

TITLE OF PROCEEDING: Integro Building Systems Inc. et al v. CRA et al

BEFORE: JUSTICE BLACK

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Alec Hoy	MNP – Trustee - Integro	ahoy@cassels.com
Alan Merskey	MNP – Trustee- Integro	amerskey@cassels.com
Meg Bennett	Integro	bennettm@bennettjones.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Sandra Tsui	Canada Revenue Agency	Sandra.tsui@justice.gc.ca
Bryant Godkin	Canada Revenue Agency	Bryant.Godkin@Justice.gc.ca
Doug Smith	RBC	dsmith@blg.com
Roger Jaipargas	RBC	rjaipargas@blg.com

Other:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE BLACK:

[1] In this matter the Trustee, MNP, was seeking a schedule for its motion to grant an Administrative Order to address, among other items, approval for its activities and fees and those of its counsel.

[2] RBC, a secured creditor of the Estate, may have concerns about the Trustee's activities (it is not clear whether or not RBC will allege any concerns but to this point, RBC has not specifically contested the amount of the fees and disbursements sought), but in any event has expressed disagreement about the source for the payment of those fees, and in particular asserted that the fees ought not to be paid out of realizations in the Estate in priority to payments to RBC under its security.

[3] Before today, RBC's materials indicated that it would be seeking an adjournment of the Trustee's Administrative Order Motion *sine die* and seeking a Declaration as to the priorities in respect of payments from the realizations in the Estate.

[4] On the eve of the motion (on March 7, 2024), the CRA provided the Trustee with its finalized Trust Examination and an amended proof of claim valuing its Deemed Trust Claim at \$3,534,468.52.

[5] Inasmuch as this was one of the significant pieces of information that RBC had said it was awaiting, and inasmuch as the certainty about the CRA's position provides greater clarity to inform RBC's position, RBC advised today that, rather than seeking an indefinite *sine die* adjournment, it was now looking for just a few weeks. RBC's hope, and that of all concerned, is that the additional brief adjournment will yield additional clarity about the other area in which RBC alleged there was insufficient information, namely the question of what, if any further realizations are likely. It is hoped that this in turn will inform RBC's position relative to the proposed Administrative Order.

[6] While in fairness it would have preferred to have me order, today, the proposed timetable set out in Schedule A to its Aide Memoire, the Trustee was prepared in the circumstances to agree to a brief further delay.

[7] It was agreed that the parties will come back for a mutually convenient 9:30 a.m. appointment during the week of April 15, over which I will preside if I am available.

[8] At that time, hopefully with the benefit of greater clarity about realizations, but in any event, I (or one of my colleagues) will confirm a schedule for the Trustee's motion for an Administrative Order. To be clear, absent agreement or significant material development(s), there are to be no further adjournments.

[9] While the precise dates to be confirmed within that schedule are to be discussed, I advised the parties that in my view the intervals contemplated in the timetable set out in Schedule A to the Trustee's Aide Memoire are reasonable and appropriate, and I expect the timetable to be set at the next 9:30 a.m. to reflect those same sort of intervals.



Black, J.

date: March 8, 2024

Appendix C

March 15, 2024

Sent Via Email ONLY: barry.mutis@rbc.com

Royal Bank of Canada
Special Loans & Advisory Services
20 King Street West, 2nd Floor,
Toronto, ON M5H 1C4

Attention **Barry Mutis**
Director

-and-

Sent Via Email ONLY: Rene.Tegelaar@cra-arc.gc.ca

Canada Revenue Agency
National Insolvency Office
5800 Hurontario Street,
Mississauga, ON L5R 4B4

Attention **René A. Tegelaar**
Resource Officer/Complex Case Officer

Dear Sirs,

RE: Estate of Integro Building Systems Inc., a Bankrupt

Further to the March 8, 2024 endorsement of Justice Black and the order to return to Court on April 19, 2024, the Trustee writes to both Royal Bank of Canada (“**RBC**”) and Canada Revenue Agency (“**CRA**”) to solicit the parties’ respective expectations of the Trustee with regards to continuing collection efforts associated with the remaining potential net realizable accounts/holdbacks receivables, the continuation of the legal proceedings with Vitrum Glass (“**Vitrum**”), and any assistance to be provided to RBC and/or its advisors in connection with its determination of the likely future realizations.

To that end, below is a brief commentary on the status of the aforementioned accounts/holdbacks receivables and the legal proceedings with Vitrum.

We advise that the payment of the net holdback receivable on the SickKids project due from PCL Constructors (“**PCL**”) of \$1,838,726.08, after the deduction of a reserve for potential future warranty issues (\$180,000 plus HST), was processed/released by PCL yesterday (March 14, 2024) and is expected to be received by the Trustee on Tuesday, March 19, 2024. We note that this collection, net of additional

potential construction trust claims and the future release of the warranty reserve has already been considered in our prior recoveries analysis, which indicates a shortfall to CRA on its filed deemed trust claim of \$3,534,468.52. Accordingly, the remaining potential collectible accounts/holdbacks receivables relates namely to the amounts associated with the Portland Commons project (EllisDon Corporation) and various projects with State Window Corporation.

With respect to the remaining unsettled project receivables, the primary challenge in quantifying the potential realizations are the expected claims for set-off in connection with damages, warranties, liens and other sub-contractor claims associated with the related projects. Additionally and as you may be aware, under the *Construction Act*, owners and contractors are also entitled to assert claims for set-off against (construction) trust funds – i.e. holdback and receivables – not just for the affected project, but for all claims against the sub-contractor, in the event of an insolvency. We anticipate such claims, at least based on preliminary communications.

With respect to the litigation proceedings commenced in British Columbia and involving Vitrum, we advise that such are only at the pleadings stage. The amount being claimed by Integro is under a counterclaim in the amount of \$1.7M for damages. Notwithstanding that the prior litigation counsel has indicated that there is merit to pursuing this litigation, it is of course always difficult to predict litigation recoveries, especially at this nascent stage. Any such analysis will also require funding of prior litigation counsel and the Trustee's counsel, to advise on the costs and risks. So you may independently assess the merits of this litigation, we are happy to share with you the pleadings and other information in our possession upon request.

Accordingly, we note that the collections of the remaining assets subject to the claims of CRA and RBC are uncertain, contingent and will require material expense to be incurred by the Trustee and its counsel, if conducted through the estate.

We await your respective responses.

Should you have any questions with regards to the above, please do not hesitate to contact the undersigned.

Yours very truly,

MNPLTD.,

in its capacity as Trustee of the Estate of
Integro Building Systems Inc., a bankrupt, and
not in its personal or corporate capacity

Per:



Matthew E. Lem, CIRP
Licensed Insolvency Trustee

cc. Roger Jaipargas, Borden Ladner Gervais LLP
Sandra Tsui and Bryan Godkin, Department of Justice
Alan Merskey, Cassels Brock & Blackwell LLP

Appendix D

Roger Jaipargas
T: 416-367-6266
rjaipargas@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada M5H 4E3
T 416.367.6000
F 416.367.6749
blg.com



April 10, 2024

DELIVERED BY EMAIL (Matthew.Lem@mnp.ca)

MNP LTD.
1 Adelaide Street East
Suite 1900
Toronto, ON
M5C 2V9

Attention: Mr. Matthew E. Lem

Dear Mr. Lem,

Re: Estate of Integro Building Systems Inc. (“Integro”), a Bankrupt

Thank you for your letter dated March 15, 2024.

As you have noted in your letter, it appears that there is a potential for substantial recovery from the legal proceedings with Vitrum Glass (the “**Vitrum Proceedings**”). Accordingly, as you know, we previously requested from Cassels Brock & Blackwell (“**Cassels**”), as counsel to MNP Ltd. in its capacity as trustee in bankruptcy (the “**Trustee**”) of Integro, copies of the pleadings in connection with the Vitrum Proceedings, which Cassels has provided to us.

In addition, we would like to request from the Trustee a detailed and fulsome listing of the accounts receivable and the status thereof, in connection with Integro’s various projects, including but not limited to, amounts owing on account of projects with State Window Corporation (including The Well, 203 Jarvis, VMC East Block, Ellie Condo Development and 88 Queen St.) and EllisDon Corporation (including Portland Commons and 489 King St. West). Further, we understand that there may be accounts receivable in connection with various other projects, including but not limited to, amounts owing from View, Inc., Royal Glass Company, Inc. and First Gulf Development Corporation.

In our view, there is a real prospect of additional realizations in the Integro estate and we would appreciate any additional information that the Trustee can provide in connection with all accounts receivable, as well as information with respect to any set-off claims that have been asserted and any liens that have been filed in connection with each project, including any liens filed by Integro and/or the Trustee. We would be grateful if you could provide the foregoing information by April 15, 2024.

We do note that collections on these accounts are subject to the claims of Canada Revenue Agency (“CRA”) for unremitted source deductions and the secured claims of Royal Bank of Canada (“RBC”), as the senior secured creditor of Integro.

To be clear, RBC has never agreed to the arrangements in place between CRA and the Trustee with respect to the administrative agreement dated as of November 7, 2023, as amended on February 29, 2024 (the “**Administrative Agreement**”), nor has RBC indicated at any point that it would support the payment of any fees or expenses of the Trustee, or its counsel ahead of RBC’s secured claims in connection with the realization of any collateral. Any such steps that have been taken by the Trustee were taken unilaterally by the Trustee and without the approval or agreement of, or direction from RBC.

As you know, KPMG LLP (“**KPMG**”) was retained by RBC to act as RBC’s financial advisor shortly after Integro made an assignment in bankruptcy. RBC is at liberty at any point in time to appoint KPMG as a privately-appointed receiver of Integro, under the terms of the RBC security. RBC has been cautious in taking that step given the priority claim of CRA.

As stated in the affidavit of Barry Mutis sworn March 4, 2024, RBC has lost confidence in the Trustee, and will not be looking to the Trustee to assist in any realization efforts at any point in time. Rather, if any such steps are taken on behalf of RBC, it will look to KPMG for its assistance in that regard, assuming that the deemed trust claim of CRA is either retired, or CRA confirms that it will not be taking any further steps to advance recoveries and that it will not seek to maintain priority for its deemed trust claim, over the secured claims of RBC on any realizations that follow. CRA cannot lay in the weeds on this issue. In that regard, I am requesting CRA’s position as to its intentions about pursuing further realizations in this estate, or whether it is prepared to stand down on same, so that RBC has some certainty going forward. As you can appreciate, RBC will not take steps to pursue realizations, only to be met with a claim by CRA as to priority to such realizations. Again, any such efforts by RBC will not be with the assistance of the Trustee, but rather with the assistance of KPMG.

We understand that the Trustee entered into an engagement letter with Integro dated August 28, 2023, which letter included a third-party deposit agreement attached as Schedule A thereto, pursuant to which Trustee received a deposit in the amount of \$287,000 (the “**Retainer**”) for the purpose of guaranteeing the fees and disbursements of the Trustee and its counsel, in addition to a fee indemnity agreement from Hi-Rise Vista Holdings Inc., 61/67 Claireville Holdings Ltd. and Chafhold Corporation attached as Schedule B to the engagement letter. We also understand that to date, the Retainer has not been applied to the fees and disbursements of the Trustee and its counsel. We would be grateful if you could confirm same.

As you know, a case conference has been scheduled before Justice Black on April 19, 2024 to schedule the Trustee’s motion for the Administrative Order substantially in the form attached at Tab 4 of the Motion Record of the Trustee dated as of February 15, 2024 (the “**Trustee’s Motion**”). In an effort to reduce the costs associated with numerous court attendances and further litigation, we have instructions from RBC to not oppose a form of the Administrative Order that

includes the changes set out in the blackline of the Administrative Order that is attached to this letter. As well, we will be seeking an endorsement (the “**Endorsement**”) from the Court that provides as follows:

To the extent that MNP and Cassels look to CRA for payment of their fees and disbursements (“**Fees and Disbursements**”) as a result of the Administrative Order, or any further Order of the Court, such Fees and Disbursements, up to a maximum amount of \$305,560.13, must be paid out of the recovery that would otherwise be payable to CRA up to a maximum amount of \$3,534,468.52 (the “**Deemed Trust Amount**”) and such Fees and Disbursements cannot be added to the Deemed Trust Amount, nor paid in priority to the secured claims of RBC.

In our view, if the Trustee and CRA agree to the revised Administrative Order and the Endorsement, same can be sought from the Court at the case conference with Justice Black on April 19, 2024. If the parties are not agreeable to the form of Administrative Order that is attached hereto and the Endorsement, we will need to agree to a timetable for a hearing of the Trustee’s Motion.

We look forward to hearing from you and CRA.

Yours truly,



Roger Jaipargas

RJ/je

cc Client (by email)
Doug Smith, Borden Ladner Gervais LLP (by email)
Attorney General of Canada, Department of Justice (by email)
Alan Merskey, Jane Dietrich and Alec Hoy, Cassels Brock & Blackwell LLP (by email)

143903167:v6

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) FRIDAY, THE 23RD 19TH
)
JUSTICE ~~WILTON SIEGEL~~BLACK) DAY OF ~~FEBRUARY~~APRIL, 2024

IN THE MATTER OF THE BANKRUPTCY OF
INTEGRO BUILDING SYSTEMS INC.,
OF THE CITY OF VAUGHAN,
IN THE PROVINCE OF ONTARIO

ADMINISTRATIVE ORDER

THIS MOTION, made by MNP Ltd. (“**MNP**”) in its capacity as licensed insolvency trustee (the “**Trustee**”) of Integro Building Systems Inc. (the “**Bankrupt**”) for an order, *inter alia*, approving the activities of the Trustee as set out in the First Report to Court of the Trustee dated February 14, 2024 (the “**First Report**”) and the fees and disbursements of the Trustee and its counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), as set out in the affidavit of Sheldon Title sworn February 14, 2024 and the affidavit of Jane Dietrich sworn February 14, 2024 (together, the “**Fee Affidavits**”), was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Trustee, the First Report and the Appendices thereto including the Fee Affidavits, the Supplemental Report to the First Report of the Trustee dated February 22, 2024, the Affidavit of Joanna Earl sworn February 22, 2024 and the Affidavit of Barry Mutis sworn March 4, 2024, and on hearing the submissions of counsel for the Trustee, ~~State Window Corporation~~ counsel for Royal Bank of Canada (“**RBC**”) and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Alec Hoy sworn February 15, 2024.

SERVICE

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.

APPROVAL OF THE FEES & ~~ACTIVITIES~~

~~2. THIS COURT ORDERS~~ that the First Report, and the activities of the Trustee described therein, be and are hereby approved, provided that only MNP in its personal capacity and only with respect to its personal liability, shall be entitled to rely upon or utilize such approval in any way.

2. ~~3.~~ **THIS COURT ORDERS** that the Trustee's statement of receipts and disbursements for the period from August 31, 2023 to February 13, 2024 attached at Appendix "M" to the First Report be and are hereby approved.

3. ~~4.~~ **THIS COURT ORDERS** that the fees and disbursements of the Trustee and Cassels, as described in the First Report and the Fee Affidavits, be and are hereby approved.

4. **THIS COURT ORDERS AND DECLARES** that the fees and disbursements of the Trustee and its legal counsel, Cassels approved pursuant to paragraph 3 of this Order and any further Orders of this Court approving fees and disbursements hereafter are and shall be approved on the basis that the payment of same shall not be paid out of the estate of the Bankrupt in priority to the secured claims of RBC as the secured creditor of the Bankrupt.

GENERAL

5. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

[Different first page setting changed from off in original to on in modified.]

6. 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.

Court File No.: BK-23-00459641-0031

Estate No.: 31-459641

IN THE MATTER OF THE BANKRUPTCY OF INTEGRO BUILDING SYSTEMS INC. IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

PROCEEDING COMMENCED AT TORONTO

ADMINISTRATIVE ORDER

CASSELS BROCK & BLACKWELL LLP

Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, ON M5H 0B4

Jane Dietrich LSO#: 49302U

Tel: 416.860.5223
jdietrich@cassels.com

Alan Merskey LSO#: 41377I

Tel: 416.860.2948
amerskey@cassels.com

Alec Hoy LSO#: 85489K

Tel: 416.860.2976
ahoy@cassels.com

Lawyers for MNP Ltd. as Trustee of Integro Building Systems Inc.

Summary report:	
Litera Compare for Word 11.5.0.74 Document comparison done on 2024-04-09 7:27:14 PM	
Style name: Standard	
Intelligent Table Comparison: Active	
Original filename: RBC - Integro - Administrative Order (Original).docx	
Modified filename: RBC - Integro - Administrative Order (Revised).docx	
Changes:	
Add	13
Delete	12
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	25

Appendix E



April 12, 2024

Via Email

amerskey@cassels.com
tel: +1 416 860 2948

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West, Suite 3400
Toronto, ON M5H 4E3
Attention: Roger Jaipargas
RJaipargas@blg.com

Dear Mr. Jaipargas:

Re: Estate of Integro Building Systems Inc. (“Integro”), a bankrupt

As you are aware, we are counsel to MNP Ltd. (“**MNP**”) in its capacity as the licensed insolvency trustee (the “**Trustee**”) in respect of the estate of Integro (the “**Estate**”).

We write in response to your letter to MNP, in its capacity as the Trustee, dated April 10, 2024 (the “**April 10 Letter**”), and to address the statements, questions and requests of your client, Royal Bank of Canada (“**RBC**”), set out therein.

Administrative Order & Endorsement

With respect to the draft of the Administrative Order attached to the April 10 Letter, the Trustee is not agreeable to a form of the order that does not approve the Trustee’s activities or the First Report to Court of the Trustee dated February 14, 2023 (the “**First Report**”). The Trustee is otherwise agreeable to the terms set out therein, presuming that you have reached agreement with CRA on this point.

The Trustee notes that, as set out in the April 10 Letter, RBC does not intend to seek the Trustee’s assistance with any future realization efforts “at any point in time”. Accordingly, following the granting of the Administration Order, the Trustee intends to wind-up the Estate and seek its discharge. As such, it is a material condition to the Trustee that the Administration Order provide for, among other things, (i) approval of the Trustee’s activities and the First Report and (ii) payment of the fees and expenses that were reasonably incurred by the Trustee and its legal counsel.

As the approval of the Trustee’s activities and the First Report is of significant importance to the Trustee and is appropriate in the circumstances, if RBC is not agreeable to consenting to approval of the Trustee’s activities, the Trustee is prepared to continue its motion for such approval.

With respect to RBC's proposed language to be included in an endorsement from the Court regarding payment of the Trustee's fees and expenses, provided RBC consents to the inclusion of the approval of the Trustee's activities and the First Report in the Administration Order to be put forward before Justice Black on April 19, 2024, the Trustee is agreeable to including such language in any endorsement. The Trustee notes that it is of the understanding that such proposed language is reflective of the terms of an agreement reached between Canada Revenue Agency ("**CRA**") and RBC, and that inclusion of such language remains subject to CRA's approval and the Trustee's support of such language is conditional thereon.

With respect to the deposit received by the Trustee in connection with its engagement letter with Integro dated August 28, 2023, the Trustee confirms/advises that (i) the deposit was in the amount of \$287,000 (the "**Retainer**") and (ii) only recently, the Retainer has been applied to the fees and disbursements of the Trustee and its counsel to the extent of \$161,787.32, inclusive of HST.

Production of Documents

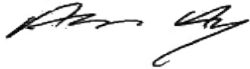
With respect to your request for a detailed and fulsome listing of the accounts receivable and the status thereof in connection with Integro's various projects by April 15, 2024, please find attached a detailed receivable listing, together with commentary. Additionally, the Trustee is agreeable to providing other relevant documents that are currently in its possession and which are not confidential or privileged, including any such relevant documents that the Trustee has prepared for public distribution in the course of its administration of the Estate. As we would expect that RBC's financial advisor, KPMG LLP ("**KPMG**"), will be reviewing such materials, we would suggest that you have KPMG speak directly with the Trustee to coordinate the delivery of same. We trust this addresses your request.

The Trustee further notes that, as acknowledged in the April 10 Letter, it has provided to RBC copies of the pleadings in connection with the legal proceedings with Vitrum Glass, and there are no outstanding requests to the Trustee in respect thereof.

The Trustee is hopeful that any remaining disputes between the parties can be resolved in advance of the case conference scheduled before the Honourable Justice Black on April 19, 2024 and looks forward to your response.

Yours truly,

Cassels Brock & Blackwell LLP



Alan Merskey
Partner

AM/am

Copies to: Matthew E. Lem, MNP Ltd. (by email)
Jane Dietrich & Alec Hoy, Cassels Brock & Blackwell LLP (by email)
Doug Smith, Borden Ladner Gervais LLP (by email)
Sandra Tsui & Bryant Godkin, Department of Justice (by email)

LEGAL*62417541.4

**IN THE MATTER OF THE BANKRUPTCY OF INTEGRO BUILDING SYSTEMS INC., OF THE CITY OF VAUGHAN,
IN THE PROVINCE OF ONTARIO**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AIDE MEMOIRE OF ROYAL BANK OF CANADA

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide St. W.
Toronto, ON M5H 4E3
Tel: (416) 367-6000
Fax: (416) 367-6749

Roger Jaipargas (LSO #43275C)

Tel: (416) 367-6266
rjaipargas@blg.com

Doug Smith (LSO #36915R)

Tel: (416) 367-6015
dsmith@blg.com

Lawyers for Royal Bank of Canada