

Court File No.: CV-21-00662483-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF CLEARBEACH RESOURCES INC. AND FORBES RESOURCES CORP.**

**RESPONDING MOTION RECORD
OF THE CREDITOR, THE MUNICIPALITY OF CHATHAM-KENT**

July 6, 2021

**Corporation of the Municipality of
Chatham-Kent**

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TO: THE SERVICE LIST

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- 1 Affidavit of Amy McLellan sworn July 6, 2021

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
CLEARBEACH RESOURCES INC. AND FORBES RESOURCES CORP.**

**AFFIDAVIT OF AMY McLELLAN
(Sworn July 6, 2021)**

I, Amy McLellan, of the Municipality of Chatham-Kent, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the Manager of Revenue for the Municipality of Chatham-Kent and as such have personal knowledge of the matters herein deposed to.
2. I swear this Affidavit in response to the motion of the Applicants for an Approval and Vesting Order in this matter, and to provide the Court with information regarding the impact of the proposed Order on the residents of Chatham-Kent in respect of the tax arrears of Clearbeach Resources Inc. and its related companies.
3. The Municipality of Chatham-Kent ("Chatham-Kent") is a single-tier municipal government in Southwestern Ontario bordered by the Counties of Essex, Lambton, Middlesex and Elgin. The municipality is mainly rural and agricultural, with industry in the larger communities. In 1998 it was created by amalgamation of the City of Chatham, and the towns, townships and villages of the former County of Kent. The population is approximately 102,000.
4. Paragraph 16 of the Affidavit of Jane Lowrie on page 12 refers to Taxes (excluding interest

and penalties) on the following Chatham-Kent tax roll numbers as retained Liabilities of Clearbeach Resources Inc. My information regarding these tax rolls is as follows:

Roll number	Owner of record on the tax roll	Balance owing as of July 5, 2021
365036000263700 ¹	Lagasco Inc.	\$3,353.85
365041001236700 ²	Lagasco Inc.	\$3,341.44
365048000240801 ³	Liberty Oil and Gas Ltd.	\$30,172.57
365031000326900 ⁴	Lagasco Inc.	\$3,666.78
TOTAL		\$40,534.64

5. Paragraph 16 of the said Affidavit on page 13 refers to taxes on the following Chatham-Kent roll numbers as Excluded Liabilities assumed by ResidualCo, prior to the Closing Time. My information regarding these tax rolls is as follows:

Roll number	Owner of record on the tax roll	Balance owing as of July 5, 2021
365048000240800	Liberty Oil & Gas Ltd.	\$204,756.86
365026000504000	Clearbeach Resources Inc.	\$7,596.10
TOTAL		\$212,352.96

6. Paragraph 16 of the said Affidavit on page 14 refers to the following Chatham-Kent roll numbers as penalties, interest or additions which constitute taxes arising before and after the filing date. My information regarding these tax rolls is as follows:

Roll number	Owner of record on the tax roll	Balance owing as of July 5, 2021
365036000263700 ⁵	Lagasco Inc.	\$3,353.85
365041001236700 ⁶	Lagasco Inc.	\$3,341.44
365048000240801 ⁷	Liberty Oil & Gas Ltd.	\$30,172.57
365031000326900 ⁸	Lagasco Inc.	\$3,666.78
TOTAL		\$40,534.64

¹ See also paragraph 6, line 1 below

² See also paragraph 6, line 2 below

³ See also paragraph 6, line 3 below

⁴ See also paragraph 6, line 4 below

⁵ See also paragraph 4, line 1 above

⁶ See also paragraph 4, line 2 above

⁷ See also paragraph 4, line 3 above

⁸ See also paragraph 4, line 4 above

7. According to the Chatham-Kent tax rolls, the following additional taxes are owing by Lagasco Inc., Clearbeach Resources Inc. and/or Liberty Oil & Gas Ltd., which appear to be related companies:

Roll number	Owner of record on the tax roll	Balance owing as of July 5, 2021
3650 010 001 90201	Lagasco Inc	23,211.22
3650 010 001 90202	Lagasco Inc	119,375.45
3650 010 001 90205	Lagasco Inc	12,976.01
3650 010 002 20510	Lagasco Inc	91,691.76
3650 010 003 23300	Lagasco Inc	53,997.18
3650 010 003 23302	Lagasco Inc	132,234.63
3650 060 003 79200	Lagasco Inc	24,020.54
3650 110 012 36100	Lagasco Inc	45,512.61
3650 140 010 95500	Lagasco Inc	31,901.45
3650 210 004 40215	Lagasco Inc	157,192.54
3650 210 004 40216	Lagasco Inc	33,108.01
3650 210 004 40217	Lagasco Inc	206,752.17
3650 210 004 40299	Lagasco Inc	24,288.89
3650 260 003 20800	Lagasco Inc	63,766.30
3650 260 005 04100	Clearbeach Resources Inc	12,083.28
3650 320 003 02728	Lagasco Inc.	7,165.22
TOTAL		1,039,277.26

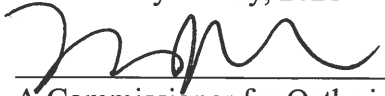
8. Chatham-Kent relies on its municipal tax base to support the services and infrastructure it is required to provide to its residents. Lost tax arrears result in the need to raise realty taxes with a risk of a significant impact on the most vulnerable taxpayers who are currently in the second year of a global pandemic.

9. I swear this Affidavit in good faith and for no improper purpose.

SWORN BEFORE ME at the Municipality of
Chatham-Kent, in the Province of Ontario
This 6th day of July, 2021

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Amy McLellan


A Commissioner for Oaths in and for the
Province of Ontario
Mary Jane Moynahan

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
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Proceeding commenced at TORONTO

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
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RESPONDING MOTION RECORD

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