

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF 2192314 ONTARIO INC. O/A TETU ISLAND LODGE
OF THE CITY OF KENORA, ONTARIO

THE HONOURABLE MR.) TUESDAY, THE 9TH DAY
JUSTICE MICHAEL A. PENNY) OF NOVEMBER, 2021.

B E T W E E N:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

2192314 ONTARIO INC. o/a TETU ISLAND LODGE

Respondent

ORDER

THIS MOTION made by MNP Ltd. in its capacity as the Court-Appointed Receiver (the "Receiver") of the assets, undertakings and properties of the Respondent, 2192314 Ontario Inc. o/a Tetu Island Lodge (the "Debtor"), for an Order, *inter alia*:

1. Dispensing with service and/or declaring that service of this motion has been validly effected on all necessary parties and declaring that this motion is properly returnable on November 9, 2021;
2. Approving the Receiver's First Report to the Court dated October 1, 2021 (the "First Report"), and the activities and conduct of the Receiver and its legal counsel since its appointment;

3. Approving the Sales Agreement and the Sales Transaction (as these terms are described and defined in the First Report) and the execution of the Sales Agreement by the Receiver;
4. Vesting in the purchaser pursuant to the Sales Agreement (the “Purchaser”) the Debtors’ right, title and interest in the assets described in the Sales Agreement (the “Purchased Assets”) and vesting title in the Purchased Assets to the Purchaser free and clear of any claims, liens and encumbrances;
5. Sealing confidential appendices “A”, “B”, “C” and “D” to the First Report (the “Confidential Appendices”);
6. Approving the Receiver’s interim statement of receipts and disbursements (the “Interim SRD”);
7. In the event the Sales Transaction closes and the Receiver receives the sale proceeds from the Purchaser (the “Sale Proceeds”), authorizing and directing the Receiver to pay from the Sale Proceeds a distribution to Business Development Bank of Canada (“BDC”) in the amount of \$350,000.00 in respect of BDC’s secured mortgage claim;
8. In the event the Sales Transaction closes and the Receiver receives the Sale Proceeds, authorizing and directing the Receiver to pay from the Sale Proceeds a distribution to Canada Revenue Agency (“CRA”) in the amount of \$50,000.00 in respect of CRA’s deemed statutory trust claim for unremitted source deductions; and
9. In the event the Sales Transaction closes and the Receiver receives the Sale Proceeds, authorizing and directing the Receiver to pay from the Sale Proceeds any municipal, land or other tax arrears (the “Tax Arrears”), if any, in respect of the Purchased Assets to the Ontario Ministry of Finance (Provincial Land Tax Collector);

was heard this day at the Courthouse, 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the Notice of Motion and the First Report, and the Factum and Authorities filed by the Receiver and on hearing the submissions of counsel for the Receiver and for those parties in attendance, no one else appearing for any other person on the service list, although properly served as evidenced by the Affidavit of Service of Roxanne Chapman, sworn on October 28, 2021, filed,

1. **THIS COURT ORDERS AND DECLARES** that service of this motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Receiver's First Report is hereby approved and that the activities and conduct of the Receiver and that of its legal counsel as set forth in the First Report are hereby ratified and approved.
3. **THIS COURT ORDERS AND DECLARES** that the Confidential Appendices shall be kept sealed and confidential and shall not form part of the public record until the Sales Transaction closes or pending further Order of this Court.
4. **THIS COURT ORDERS AND DECLARES** that the Receiver's Interim SRD is hereby approved.
5. **THIS COURT ORDER AND DIRECTS** that, in the event the Sales Transaction closes and the Receiver receives the Sale Proceeds from the Purchaser, the Receiver shall pay a distribution to BDC in the amount of \$350,000.00 on account of BDC's secured mortgage claim.
6. **THIS COURT ORDER AND DIRECTS** that, in the event the Sales Transaction closes and the Receiver receives the Sale Proceeds from the Purchaser, the Receiver shall pay a distribution to CRA in the amount of \$50,000.00 on account of CRA's deemed statutory trust claim for unremitted source deductions.
7. **THIS COURT ORDERS AND DIRECTS** that, in the event the Sales Transaction closes and the Receiver receives the Sale Proceeds from the Purchaser, the Receiver shall pay any Tax Arrears in respect of the Purchased Assets from the Sale Proceeds.

A handwritten signature in blue ink, appearing to read "Penny J.", positioned above a horizontal line.

THE HONOURABLE MR. JUSTICE MICHAEL A. PENNY

BUSINESS DEVELOPMENT BANK OF CANADA
Applicant

- and -

2192314 ONTARIO INC. o/a TETU ISLAND LODGE
Respondent

Court File No.: CV-21-00659396-00CL

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

**IN THE MATTER OF THE COURT-APPOINTED
RECEIVERSHIP OF 2192314 ONTARIO INC. o/a TETU
ISLAND LODGE, of the City of Kenora, in the
Province of Ontario**

Proceedings commenced at Toronto

ORDER

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