

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

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

and

2192314 ONTARIO INC. o/a TETU ISLAND LODGE

Respondent

FIRST REPORT OF MNP LTD., IN ITS
CAPACITY AS COURT-APPOINTED RECEIVER OF
2192314 ONTARIO INC. o/a TETU ISLAND LODGE
OCTOBER 1, 2021

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INTRODUCTION AND BACKGROUND

1. The Respondent, 2192314 Ontario Inc. o/a Tetu Island Lodge (the “**Company**”), is a company incorporated pursuant to the laws of Ontario with its registered office address located in Kenora, Ontario.
2. The Company is the registered owner of approximately thirteen (13) acres of lands and buildings on an island in the Tetu Lake, Ontario which is legal described in Schedule “A” attached hereto (the “**Real Property**”).
3. The Company was managed and controlled by Mr. Edward Henn and Mrs. Kathi Henn who are both US residents (the “**Directors**”). The Directors are also jointly and severally indebted to the Applicant, Business Development Bank of Canada (“**BDC**” of the “**Lender**”), on account of the indebtedness owing to BDC.
4. On or about November 3, 2010, the Company became indebted to the BDC, its senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements contained as Exhibits B through D of the Receivership Application Record (the “**Application Record**”) dated March 24, 2021 (the “**Security**”).
5. As reported in the Application Record, the Company’s obligations to the Lender pursuant to the above loans and the Security (the “**Indebtedness**”) totaled \$534,552.82 as at February 19, 2021 (excluding interest and fees accrued since).
6. As reported in the Application Record, the Company was also indebted to the Ontario Ministry of Finance on account of arrears in provincial land tax as at February 12, 2021 in the amount of \$4,995.13 (excluding interest and further land tax).
7. The Security provides for the appointment of a receiver in the event of default by the Company under the Security.
8. The Company’s operations ceased in the fall of 2019 given the seasonal nature of its operations. Further, with the Canada/USA boarder closed since the spring of 2020 because of the Covid-19 pandemic, the Company’s operations have not resumed, and the lodge has remained closed and was abandoned.

9. On July 10, 2020, BDC corresponded with the Directors requesting an update on the status of the Real Property, the Company's operations, and its plan to address the arrears in priority payables, including municipal tax, HST and source deduction remittances.
10. On August 4, 2020, BDC sent a further communication to the Directors requesting a response to the foregoing enquiry and no response was provided to the Bank's requests in this regard.
11. On December 3, 2020, BDC issued demands for payment of the Indebtedness to the Company and the Directors, along with a Notice of Intention to Enforce Security in accordance with s. 244 of the *Bankruptcy and Insolvency Act* ("**BIA**") which demands and statutory notice are contained as Exhibit G of the Application Record.
12. On January 28, 2021, BDC's account manager received a telephone call from one JB Lynch, who acted as the Company's general manager and who informed BDC that he believed that the Directors had abandoned the Real Property and that the Company would not be resuming operations.
13. The Ontario Land Tax Collector had registered a notice on title to the Real Property confirming that if the tax arrears were not paid by November 30, 2021 the Real Property would be forfeited to and vested in the Crown as of December 1, 2021.
14. On March 24, 2021, BDC brought an application for the appointment of MNP Ltd. ("**MNP**") as the receiver of the Company and for the protection of the interests of BDC and other stakeholders.
15. By Order of this Honourable Court dated April 21, 2021 (the "**Receivership Order**"), MNP was appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of the Company, including the Real Property, used in relation to its businesses, including all proceeds thereof (the "**Property**"). A copy of the Receivership Order is attached at **Appendix "1"**.

PURPOSE OF THIS REPORT

16. The purpose of this first report of the Receiver to the Court (the "**First Report**") is to:
 - (a) report on the activities of the Receiver since its appointment pursuant to the Receivership Order;

- (b) seek the Court's approval of the activities and conduct of the Receiver and that of its legal counsel as described in the First Report;
- (c) seek the Court's approval of the Sales Agreement (as defined below) and of the Sales Transaction (as defined below) and the conveyance of the Real Property to the purchaser thereof and vesting title to the Real Property in the purchaser free and clear of any encumbrances;
- (d) seek the Court's approval to seal certain confidential appendices (the "**Confidential Appendices**") to the First Report;
- (e) seek the Court's approval of the Receiver's interim statement of receipts and disbursements (the "**Interim SRD**");
- (f) in the event the Court approves the Sales Agreement and the Sales Transaction and the said transaction closes, seek the Court's approval in respect of an interim distribution to BDC in the amount of \$400,000.00 on account of its first-ranking mortgage and secured claim; and
- (g) in the event the Court approves the Sales Agreement and the Sales Transaction and the said transaction closes, seek the Court's approval in respect of paying any municipal and/or property tax arrears (the "**Tax Arrears**") in respect of the Real Property, which Tax Arrears totaled \$1,952.92 as of March 15, 2021.

17. All amounts referred to in the First Report are in Canadian dollars unless otherwise noted.

NOTICE TO READER

- 18. This First Report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination of whether to approve the relief being sought.
- 19. In preparing this First Report, the Receiver has relied upon information from third party sources (collectively, the "**Information**"). Certain of the information contained herein may refer to, or be based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Honourable Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

INITIAL RECEIVERSHIP ACTIVITIES

20. Immediately following the granting of the Receivership Order on April 21, 2021 (the “**Receivership Date**”), the Receiver attended at the Real Property to take possession of and secure the buildings. The initial activities of the Receiver included:

- (a) notifying the Company of MNP’s appointment as Receiver;
- (b) attending at the Real Property to inspect the site, take photographs and prepare an inventory of equipment, boats, motors and trailers and other equipment;
- (c) providing a copy of the Receivership Order to the Company and the Directors;
- (d) arranging for insurance coverage in respect of the Real Property;
- (e) arranging for cleanup of the Real Property including cutting trees that had fallen on some of the buildings;
- (f) requesting relevant information and the books and records of the Company;
- (g) requesting information from Canada Revenue Agency (the “**CRA**”);
- (h) requesting bank statements directly from the Company’s two known banks;
- (i) responding to creditor inquiries; and
- (j) preparing and issuing the prescribed notice and statement of the Receiver pursuant to ss. 245(1) and 246(1) of the BIA, which was sent to the Company’s creditors. A copy of this notice is attached at **Appendix “2”**.

THE REAL PROPERTY, THE APPRAISAL AND THE LISTINGS

21. Title to the Real Property was transferred from the Directors personally to the Company on May 18, 2011 for \$1,200,000.00. The Directors had originally purchased the Real Property on February 1, 1996 for an unknown amount.

22. On June 14, 2021, the Receiver obtained a listing proposal from RE/Max NorthWest Realty Ltd. (“**RE/Max**”) to market and sell the Real Property. A copy of this listing proposal is attached at **Appendix “3”**.

23. On June 21, 2021, the Receiver obtained an email listing proposal from Century 21 Northern Choice Realty to market and sell the Real Property. A copy of the listing proposal is attached at **Appendix “4”**.

24. The Receiver had made several inquiries with certified appraisers to prepare appraisals for the Real Property, however, given the current economic conditions related to COVID-19 and the difficulties in accessing the Real Property, most declined the opportunity.
25. On July 9, 2021, given the favourable terms contained in the RE/Max listing proposal and that RE/Max is a reputable, competent, and licensed commercial real estate broker, the Receiver selected RE/Max to list and market the Real Property with a list price of \$1,350,000.00. A copy of this listing agreement is attached at **Appendix “5”**.
26. On July 20, 2021, the Receiver received a real estate appraisal from Dawn M. Powell Appraisals Inc. (the “**Powell Appraisal**”) in respect of the Real Property. A copy of the Powell Appraisal is reproduced at **Confidential Appendix “A”**.

MARKETING OF REAL PROPERTY AND RESULTS

27. The marketing process and the results of the marketing process for the Real Property are detailed in **Confidential Appendix “B”** and a redacted copy is attached at **Appendix “6”**.
28. Highlights of RE/Max’s marketing process in respect of the sale of the Real Property are as follows:
 - a) RE/Max had 871 website hits, 631 views on Realtor.ca and 19,193 views on Facebook where parties were asked to submit offers to purchase by September 2, 2021;
 - b) 17 parties made meaningful inquiries and 3 formal inspections of the Real Property were carried out by interested;
 - c) parties advised RE/Max of their concerns about the condition of the buildings, docks, and lack of customer list and high listing price of the Real Property given its current condition;
 - d) at the time of the initial offering expiring, three (3) offers were received from parties interested in purchasing the Real Property; and
 - e) on September 7, 2021, the purchasing party submitted an offer to purchase the Real Property that BDC confirmed it supported.

THE SALES AGREEMENT AND TRANSACTION

29. On September 9, 2021, the Receiver accepted the final offer to purchase the Real Property (the “**Sales Agreement**”), copies of which are attached as **Confidential Appendix “C”** and a redacted

copy of which is attached as Appendix “7” (in which the purchaser’s identity, deposit and the purchase prices were redacted). The Sales Agreement provides for a significant deposit and that it is binding, and that the closing (the “Sales Transaction”) is subject to the approval of the Court.

30. The Receiver recommends that the Sales Agreement and the Sales Transaction with respect to the Real Property be approved by this Honourable Court for the following reasons:

- a) the Real Property was exposed widely to the marketplace in a manner that is common for properties of this nature and was listed for sale with a professional and licensed commercial real estate broker that is well known in the market;
- b) the Sales Agreement is now unconditional except for requiring the Court’s approval;
- c) the purchase price is greater than the appraised value of the Real Property;
- d) the purchase price is greater than the other offers received by the Receiver;
- e) the Real Property has been exposed the market since July 2021;
- f) the ongoing monthly carrying costs are prohibitive, including the costs of approximately \$8,919.00 per month for insurance and there is a risk that the insurance coverage could be cancelled upon any renewal;
- g) the Receiver does not believe that further marketing of the Real Property will result in a superior offer given the international border closures and travel restrictions resulting from the COVID-19 pandemic; and
- h) the Sales Transaction that is the subject of the Sales Agreement is provident and a favourable outcome for the estate and followed a thorough, impartial and fair sales process that fully tested the market.

ONGOING OPERATIONS

31. The Receiver has not operated the lodge.

32. The Receiver did obtain an initial advance from BDC and accordingly issued a Receiver’s Certificate in the amount of \$75,000.00. A copy of the Receiver’s Certificate 1 is attached at **Appendix “8”**.

PRIORITY AND SECURED CLAIMS

Priority Claims

33. As of August 19, 2021, the Tax Arrears for the Real Property were \$1,952.92. A copy of the property tax certificate is contained at **Appendix “9”**.

34. The Company has not filed HST returns since May 2011. CRA has issued arbitrary assessments for each period not reported by the Company. The Receiver has filed HST returns for periods over the last ten years where there would be no operations during the winter months and therefore no amounts would be due for HST.
35. The Directors have declined to provide the Receiver with any sales and expense information for the Receiver to complete the remaining unfiled periods. The amount outstanding for HST before interest is \$108,160.71. A statement of account from CRA as of August 31, 2021 is attached at **Appendix “10”**.
36. Attached at **Appendix”11”** is the statement of account from CRA as of May 6, 2021 for unremitted employee source deductions in the amount of \$207,995.34. Of this amount \$140,117.46 is a priority claim against assets of the Company not subject to the BDC’s mortgage security.

Secured Claims

37. The parcel register for the Real Property confirms that BDC registered a charge on title to the Real Property on May 18, 2011 in the principal amount of \$1,000,000.00. The Receiver obtained an independent legal opinion, dated September 21, 2021, regarding the validity and enforceability of the security held by BDC, a copy of which is attached at **Appendix “12”**.
38. Based on this legal opinion, it appears that:
- a) BDC’s mortgage security with respect to the Real Property is valid and enforceable; and
 - b) The general security agreements granted by the Company to BDC creates an attached and perfected security interest and is enforceable in accordance with its terms.
39. The parcel registers for the Real Property search results are enclosed with this legal opinion at **Appendix “12”**.
40. A copy of the PPSA search dated September 20, 2021 is attached at **Appendix “13”**.
41. BDC provided the Receiver with an updated statement of account in respect of Company’s Indebtedness to BDC as of September 21, 2021. As of this date, the outstanding balance owing to BDC by Company was \$643,640.37 plus daily per diem interest of \$88.50 and ongoing legal costs. The BDC statement of account is attached at **Appendix “14”**.

42. BDC confirmed the Receiver's Certificate is included in the statement of account attached at **Appendix "14"**.

FUNDS AVAILABLE FOR DISTRIBUTION

43. A copy of the Interim SRD is attached at **Appendix "15"**. It confirms that receipts exceed disbursements by \$29,454.72 to the date of this First Report.

44. In the event the Sales Agreement and the Sales Transaction are approved by the Court and the transaction closes, the Receiver recommends paying the following distributions:

- a) \$1,952.92, or such other amount as may be required to pay the Tax Arrears in respect of the Real Property; and
- b) \$400,000.00 to BDC on account of its secured mortgage claim.

45. The balance of the sale proceeds will be held by the Receiver until a further report to the Court is filed with respect to distributing these proceeds.

PROFESSIONAL FEES

46. Pursuant to paragraph 18 of the Receivership Order, the fees and disbursements of the Receiver and its legal counsel form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person.

47. Pursuant to paragraph 19 of the Appointment Order, the Receiver is entitled to apply reasonable amounts out of the monies in its hands to satisfy its professional fees and disbursements and those of its counsel, and such amounts are to constitute advances against its remuneration and disbursements when and as approved by the Court.

48. The approval of fees and disbursements of the Receiver and that of its legal counsel will be sought in a further report to the Court.

COMPLETION OF THE RECEIVERSHIP

49. The Receiver will attempt to close the Sales Transaction and report back to Court upon its completion. In the event the Sales Transaction does not close, the Receiver will resume the sales process in respect of the Real Property subject to the Receivership Order.

SUMMARY AND RECOMMENDATIONS

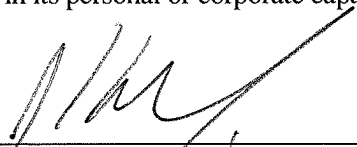
50. For the reasons outlined above, the Receiver respectfully recommends that this Court grant the Receiver's request for an Order, amongst other things:

- (a) If necessary, abridging the time for and validation of service of the Notice of Motion and Motion Record herein;
- (b) Approving the Receiver's First Report, and the activities and conduct of the Receiver and of its legal counsel since its appointment, all as recited in the First Report;
- (c) Approving the Sales Agreement and Sales Transaction, and the conveyance of the Real Property to the purchaser and vesting title of the Real Property in the purchaser free of encumbrances;
- (d) Approving the sealing of the Confidential Appendices to the First Report pending the closing of the Sales Transaction or further Order of this Court;
- (e) Approving the Interim SRD;
- (f) in the event the Court approves the Sales Agreement and the Sales Transaction and the said transaction closes, approving an interim distribution to BDC in the amount of \$400,000.00 on account of its first-ranking mortgage and secured claim; and
- (g) in the event the Court approves the Sales Agreement and the Sales Transaction and the said transaction closes, approving payment of all Tax Arrears in respect of the Real Property.

This First Report is respectfully submitted to the Honourable Court as of this 1st day of October 2021.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of
2192314 Ontario Inc. o/a Tetu Island Lodge
and not in its personal or corporate capacity
Per:



John P. Haralovich, CPA, CA, CIRP, CMA
Senior Vice President

SCHEDULE "A"

1. Legal Description: PCL 2451 SEC DPF; Summer Resort Location EB746 unsurveyed territory comprising parts of Island 716 in Tetu Lake area; District of Kenora

PIN: 42180-1922 (LT); LRO #23

2. Legal Description: PCL 1541 SEC DPF; Summer Resort Location HL69 unsurveyed territory forming PT Island 716 in Tetu Lake of The Winnipeg River; District of Kenora

PIN: 42180-1923 (LT); LRO #23

2. Legal Description: PCL 2970 SEC DPF; Summer Resort Location EB1400 unsurveyed territory comprising PT Island 716, in Tetu Lake of The Winnipeg River, S/T right to overflow and injuriously affect the aforesaid land with the waters of the Lake of the Woods, and the Winnipeg River up to a line which is distant 66 feet in perpendicular width, from elevation 1045 feet, Geodetic Survey of Canada, Datum 1923 adjustment; District of Kenora

PIN: 42180-1924 (LT); LRO #23

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

THE HONOURABLE MR.) WEDNESDAY, THE 21ST DAY
JUSTICE PETER CAVANAGH) OF APRIL, 2021.

BETWEEN:



BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

2192314 ONTARIO INC. o/a TETU ISLAND LODGE

Respondent

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MNP Ltd. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties, including the real property legally described in Schedule "A" attached hereto (the "Property") of the Respondent, 2192314 Ontario Inc. o/a Tetu Island Lodge (the "Debtor") acquired for, or used in relation to a business carried out by the Debtor, was heard this day at the Courthouse, 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the Affidavit of Andrew Masse, sworn on February 25, 2021 and the Exhibits thereto, the Affidavit of Roxanne Chapman, sworn on March 24, 2021 and the Exhibits thereto, and the Factum and Authorities of the Applicant, and on hearing the submissions of counsel for the parties, no one appearing on behalf of any other creditors on the Service List although duly served as appears from the Affidavit of Service of Roxanne Chapman sworn on

March 31, 2021 and on reading the consent of MNP Ltd., dated February 23, 2021, to act as the Receiver in respect of the assets of the Debtor referred to herein,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP Ltd. is hereby appointed Receiver, without security, of all of the Property of the Debtor acquired for, or used in relation to a business carried out by the Debtor, including all proceeds thereof.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) 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") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver 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 Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (92) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the

Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their

advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or 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 of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5)

or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$75,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be

and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.
</p></div>
<div data-bbox="111 822 896 896" data-label="Text">
<p>26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by</p>
</div>
<div data-bbox="487 917 514 936" data-label="Page-Footer">
<p>11</p>
</div>

forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by

the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

THE HONOURABLE MR. JUSTICE PETER CAVANAGH

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to the Property appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 21st day of April, 2021 (the "Order") made in an action having Court file number CV-21-00659396-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20____.

[_____]

By: _____

Name:

Title:

Debtor/Firm:

SCHEDULE "A"

(Description of Property)

1. Legal Description: PCL 2451 SEC DPF; Summer Resort Location EB746 unsurveyed territory comprising parts of Island 716 in Tetu Lake area; District of Kenora

PIN: 42180-1922 (LT); LRO #23

2. Legal Description: PCL 1541 SEC DPF; Summer Resort Location HL69 unsurveyed territory forming PT Island 716 in Tetu Lake of The Winnipeg River; District of Kenora

PIN: 42180-1923 (LT); LRO #23

3. Legal Description: PCL 2970 SEC DPF; Summer Resort Location EB1400 unsurveyed territory comprising PT Island 716, in Tetu Lake of The Winnipeg River, S/T right to overflow and injuriously affect the aforesaid land with the waters of the Lake of the Woods, and the Winnipeg River up to a line which is distant 66 feet in perpendicular width, from elevation 1045 feet, Geodetic Survey of Canada, Datum 1923 adjustment; District of Kenora

PIN: 42180-1924 (LT); LRO #23

BUSINESS DEVELOPMENT BANK OF CANADA
Applicant

-and- 2192314 ONTARIO INC. o/a TETU ISLAND LODGE
Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and Rules 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

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

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

PROCEEDING COMMENCED AT TORONTO

ORDER

SOLOWAY WRIGHT LLP

Lawyers
700-427 Laurier Avenue West
Ottawa, ON K1R 7Y2

André A. Ducasse (#44739R)

aducasse@solowaywright.com

613-236-0111 telephone
613-238-8507 facsimile

Lawyers for the Applicant, Business Development Bank of
Canada

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District of: Ontario
Division No. 12 - Ottawa
Court No.
Estate No. 21-081579

- FORM 87 -

Notice of Statement of the Receiver
(Subsections 245(1) and 246(1) of the Act)

In the Matter of the Receivership of
2192314 Ontario Inc.
o/a Tetu Lodge

The receiver gives notice and declares that:

1. On the 21st day of April 2021, we, MNP Ltd., became the receiver in respect of the property of 2192314 Ontario Inc., that is described below:

Real Property or Immovable	Land - Kenora - PCL 2451	100000.00
Real Property or Immovable	Building and Land - Kenora - PCL 1541 and 2970	900000.00
Recreational Equipment	2006 Bobcat T300 - 532011160	5000.00
Recreational Equipment	20 Boats and Trailer	200000.00
Recreational Equipment	Various equipment	10000.00

2. We became a receiver by having taken possession or control of the property described above (or by virtue of being appointed by Business Development Bank of Canada), pursuant to first ranking mortgage dated May 18, 2011, a general security agreement dated May 2, 2011

3. The undersigned took possession or control of the property described above on the 3rd day of May 2021.

4. The following information relates to the receivership:

(a) Address: PO Box 1130, Kenora, ON, P9N 3X7

(b) Principal line of business: Fishing Resort

(c) Location(s) of business:

English/Winnipeg River System, Kenora, ON

(d) Amount owed to each creditor who holds a security on the property described above:

CRA - Canada Revenue Agency	\$140117.46
Ministry of Finance, Provincial Land Tax	\$1.00
Business Development Bank of Canada - Vancouver	\$600000.00

(e) The list of other creditors and the amount owed to each creditor and the total amount due is as follows:

CRA - Canada Revenue Agency	Unsecured	\$67877.88
CRA - Canada Revenue Agency	Unsecured	\$119824.74

(f) The intended plan of action of the receiver during the receivership, to the extent that such a plan has been determined, is as follows: The Receiver will have the property and equipment appraised and commence a sales process to liquidate the land, buildings and equipment.

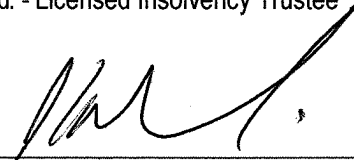
(g) Contact person for receiver:

John Haralovich, Tel: (613) 691-4270, Fax: (613) 726-9009.

Dated at the City of Ottawa in the Province of Ontario, this 13th day of May 2021.

MNP Ltd. - Licensed Insolvency Trustee

Per:



John Haralovich - Receiver

1600 Carling Avenue, Suite 800

Ottawa ON K1Z 1G3

Phone: (613) 691-4270 Fax: (613) 726-9009



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

RECEIVER: JOHN PIERRE HARALOVICH
MNP LTD / MNP LTÉE
1600 Carling Avenue, Suite 800
Ottawa, ONTARIO
K1Z 1G3

DATE: May 17, 2021

RE: Filing of Receivership and Reporting Duties of Receiver

ESTATE NAME: 2192314 ONTARIO INC.

ESTATE NO: 21-081579

Dear Sir/Madam,

We write to acknowledge receipt of Form 87, Notice and Statement of the Receiver, for the above noted receivership. Please note the assigned estate number and ensure this number is on all future correspondence.

As a reminder, subsection 246(2) of the Bankruptcy and Insolvency Act (BIA) and Rule 126 of the Bankruptcy and Insolvency General Rules require the receiver to prepare interim reports relating to the receivership at least once every six months and provide copies thereof to the Superintendent, to the insolvent person or the Licensed Insolvency Trustee (in the case of a bankrupt) and to any creditor who requested a copy.

In addition, pursuant to subsection 246(3) of the BIA and Rule 127, the receiver shall, after completion of his/her duties, prepare a final report and a statement of accounts containing the prescribed information relating to the receivership and provide a copy thereof to the Superintendent, to the insolvent person or the Licensed Insolvency Trustee (in the case of a bankrupt) and to any creditor who requested a copy.

Please contact this office should you have any questions regarding any of the above.

Superintendent of Bankruptcy

400 St. Mary Avenue, 4th Floor, Winnipeg, MANITOBA, R3C 4K5, 877/376-9902

Canada

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June 14, 2021

Listing Recommendation

Tetu Island Lodge

Legally Described as:

PCL 1541 SEC DPF; SUMMER RESORT LOCATION HL69 UNSURVEYED TERRITORY FORMING PT ISLAND 716 IN TETU LAKE OF THE WINNIPEG RIVER; DISTRICT OF KENORA

PCL 2451 SEC DPF; SUMMER RESORT LOCATION EB746 UNSURVEYED TERRITORY COMPRISING PARTS OF ISLAND 716 IN TETU LAKE AREA; DISTRICT OF KENORA

PCL 2970 SEC DPF; SUMMER RESORT LOCATION EB1400 UNSURVEYED TERRITORY COMPRISING PT ISLAND 716, IN TETU LAKE OF THE WINNIPEG RIVER, S/T RIGHT TO OVERFLOW AND INJURIOUSLY AFFECT THE AFORESAID LAND WITH THE WATERS OF THE LAKE OF THE WOODS, AND THE WINNIPEG RIVER UP TO A LINE WHICH IS DISTANT 66 FEET IN PERPENDICULAR WIDTH, FROM ELEVATION 1045 FEET, GEODETIC SURVEY OF CANADA, DATUM 1923 ADJUSTMENT; DISTRICT OF KENORA

As a result of my analysis and finding, it is considered my opinion that, as of June 14, 2021 the above property has a current market value of One million three hundred and fifty Thousand (\$1,350,000.00) given our current market trends there is a possibility to have higher offers in a bid situation.

Listing Commission would 8% and that would be split between the listing and selling agents 5% & 3%

This opinion of value is addressed to and may be relied upon by the addressee only and, for greater certainty, may not be relied upon by the addressee's advisor or other agents. I assume no responsibility for any actions taken solely or principally on the basis of the information contained herein or in the commentary provided. Furthermore, I have not been admitted in court or other legal proceedings as an expert witness on appraisal evidence.

I certify that I have no interest, present or contemplated in the above properties.

Yours Truly.

Karen Redden- Broker/Owner

RE/MAX NorthWest Realty Ltd.

Brokerage

334 Second Street South • Kenora, ON P9N 1G5 • (807) 468-4573

Each Office Independently Owned & Operated

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John Haralovich

From: Harold Warkentin <harold.warkentin@century21.ca>
Sent: June 21, 2021 7:21 AM
To: John Haralovich
Subject: Tetu Lodge
Attachments: DSC_0165.JPG; DSC_0153.JPG

CAUTION: This email originated from outside of the MNP network. Be cautious of any embedded links and/or attachments.
MISE EN GARDE: Ce courriel ne provient pas du réseau de MNP. Méfiez-vous des liens ou pièces jointes qu'il pourrait contenir.

hi John

I was able to get to the lodge on the 17th. Two pics attached.

I have done some homework and considered other properties that are for sale and have recently sold.

I am starting to form an opinion of value around \$700,000.

There are about 20 boats on the site, they have a separate value but all other equipment, 2 generators, skid steer, barge are included in my humble opinion of value.

We can have a phone conversation during the week.

Best regards
hrw

HAROLD WARKENTIN

"the flying salesman"®

Real estate broker

807-464-1221

haroldwarkentin.ca

Century 21

Northern Choice Realty

5-308 Second Street South

Kenora ON, P9N1G

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Listing Agreement – Commercial Seller Representation Agreement Authority to Offer for Sale

Form 520

for use in the Province of Ontario

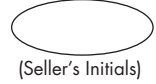
This is a **Multiple Listing Service® Agreement**



OR

This Listing is **Exclusive**

EXCLUSIVE



BETWEEN:

BROKERAGE: **RE/MAX NORTHWEST REALTY LTD.**

334 Second Street South (the "Listing Brokerage") Tel. No. **807-468-4573**

SELLER: **MNP LTD. Court Appointed Receiver of 2192314 Ontario Inc. O/A Tetu Lodge** (the "Seller")

In consideration of the Listing Brokerage listing the real property **for sale** known as **TETU LODGE**

..... **See Schedule for full legal** **ON** (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 **9** day of **July**, 20**21**,

until 11:59 p.m. on the **29** day of **October**, 20**21** (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.



to offer the Property **for sale** at a price of:

..... **One Million Three Hundred Fifty Thousand** Dollars (\$CDN) **1,350,000.00**

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.



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 commission of **8** % of the sale price of the Property or **N/A**

..... for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period and on the terms and conditions set out in this Agreement **OR** such other terms and conditions as the Seller may accept.

INITIALS OF LISTING BROKERAGE:

INITIALS OF SELLER(S):

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 of³..... % of the sale price of the Property or N/A.....
..... 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 within⁹⁰..... 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: 

INITIALS OF SELLER(S): 

- 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:

DS
LR

INITIALS OF SELLER(S):

DS
JH

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:

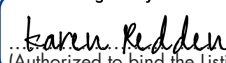
(Does)

DS
JK
(Does Not)

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.

- 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.

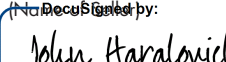
THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.

DocuSigned by:

 (Authorized to bind the Listing Brokerage) 7/8/2021 **KAREN REDDEN**
 (Date) (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:

MNP LTD. Court Appointed Receiver of 2192314 Ontario

DocuSigned by:

 (Authorized Signing Officer) 7/8/2021
 (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.

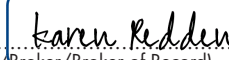
.....
 (Spouse) (Seal) (Date) (Tel. No.)

DECLARATION OF INSURANCE

The Salesperson/Broker/Broker of Record **KAREN REDDEN**
(Name of Salesperson/Broker/Broker of Record)

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

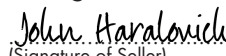
DocuSigned by:


 (Signature(s) of Salesperson/Broker/Broker of Record)
 (360372238AE74DD...)


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 8th day of July, 2021


 (Signature of Seller) 7/8/2021
 (Date)

(Signature of Seller) (Date)

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August 24th, 2021

ACTIVITY SUMMATION

716 PT ISLAND, DISTRICT OF KENORA

Prepared for:

John Haralovich-MNP

1600 Carling Ave Suite 800

Ottawa, ON K1Z 1G3

Prepared by:

Karen Redden, Broker/Owner

ACTIVITY SUMMATION

Formal Marketing began July 12th, 2021:

- Listing date July 9, 2021
- Listed on RE/MAX.ca RE/MAX Commercial RE/MAX Luxury
- RE/MAX NorthWest Realty & REALTOR.ca
- July 12th: First social media post was put out
- July 20th: Second social media post was put out
- July 20th Home and Cottage magazine
- August 2nd: Third social media post was put out
- August 9 Home and cottage magazine
- The post from July 20th was then boosted: It ran for 14 days, from July 20th- August 3rd
- The boosted post was targeted to the United States and Ontario/Manitoba region of Canada
- August 26th: Fourth social media post was put out
- August 30th: Fifth social media post was put out

Enquires to Date:

- We had 36 inquiries in total the majority of the calls were past clients of the lodge that wanted to chat and see what was going on with the Lodge.
- We had three site visits from potential purchasers
- The majority of the inquiries never went too far given the lack of financial information available and no clients lists or contact available.
- After sending more detailed pictures to more serious inquiries the general responses were the same as they felt it needed more repair that they were willing to do. A few investors looking at it felt that the return on their investment would not be enough
- The major concerns were the docks and the main dining lodge.

WEBSITE STATISTICS:

RE/MAX Websites:

Total of 871 total hits

REALTOR.ca:

631 Views

FACEBOOK Views

19,193

Instagram views

1414

COMPANY/PERSON	CONTACT	COMMENTS/FURTHER ACTION
Jonathan Howard		Sent initial e-mail general conversation back and forth. Not Interested in pursuing
Daniel Russell		Sent initial e-mail general conversation back and forth. Not Interested in pursuing
Eric Shahinian		Multiple conversations and exchanges forwarded documents and more pictures. Indicated a potential offer off \$200,000-\$300,000 never produced one in the end
Kyle McMahon		Exchange of emails, client has no funds to proceed.
Grace Howard		Exchange of email but not interested in pursuing
Paul Landry- another agent said he has an interested client but never heard back		
Mike Gervais		Exchange of emails but not interested in pursuing
Narinder Bhachu		Several exchanges and information sharing sent additional pictures and information. Not interested in pursuing
Lenea Gorrals		Had general conversation and not interested in pursuing
Robert Greenly		Seemed very interested, sent documents and more pictures site visit indicated a possible offer but nothing in the end.

Harold lookin		Was interested in being an investor
Dan Ellner		Sent email and no further communication
Gary McClasky		Has several conversations in the end felt his offer would not be competitive
Halley's Camp		Very interested- considered the opportunity for a considerable amount of time. Lack of client list was their deciding factor to not offer
Dimitri Lokhonia		Very interested - site visit Offer produced not accepted
Jeevan Garmilla		Offer produced not accepted
John Williams		Site Visit - offer produced and accepted

Three offers were produced on September 2, 2021

Dimitri Lokhonia- Not accepted \$

Jeevan Garmilla- \$

John Williams - \$

We asked the higher of the two offers to re submit a higher offer

Jeevan Garmilla - \$

John Williams - \$ - accepted

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AGREEMENT OF PURCHASE AND SALE

BETWEEN

**MNP LTD. SOLELY IN ITS CAPACITY AS THE
COURT APPOINTED RECEIVER OF 2192314
ONTARIO INC. O/A TETU ISLAND LODGE**

AS VENDOR

- AND -

John William and/or Nominee.

AS PURCHASER

DATED AS OF THE 7th DAY OF SEPTEMBER, 2021



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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is dated as of the 7th day of September, 2021.

B E T W E E N:

MNP LTD. solely in its capacity as the Court Appointed Receiver of 2192314 Ontario Inc. and not in its personal or corporate capacities

(the "Vendor")

- and -

John Williams and/or Nominees

(the "Purchaser")

BACKGROUND:

- A. Pursuant to the order of the Honourable Justice Peter Cavanagh of the Ontario Superior Court of Justice issued on April 21st, 2021 (the "Appointing Order") the Vendor was appointed as the Receiver of all of the assets, undertakings and properties of **2192314 Ontario Inc. o/a Tetu Island Lodge** (hereinafter the "Company") and it is a provision of the Appointing Order that the Vendor is empowered to sell all or any part of the properties, assets and undertakings of the Company.
- B. The Vendor wishes to sell, and the Purchaser wishes to purchase, all of the Vendor's and Company' right, title and interest, if any, in and to the Purchased Assets (as defined herein), as provided in this Agreement.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are acknowledged by each of the parties hereto, the parties hereby agree with each other as follows:

ARTICLE 1 INTERPRETATION

1.01 Definitions

In this Agreement the following terms have the following meanings:

“Agreement” means this agreement, including all Schedules, as it may be supplemented, amended, restated or replaced from time to time by written agreement between the parties.

“Approval and Vesting Order” has the meaning set forth in Subsection 4.01(a).

“Books and Records” means the books and records of the Company, including those in electronic format and all agreements and software licenses incidental and relating thereto.

“Business” means fishing lodge and all other business carried on by the Company prior to the Closing Date.

“Business Day” means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario or any other day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.

“Closing” means the completion of the Transaction.

“Closing Date” means the 10th (ten) Business Day following the Vendor obtaining the Approval and Vesting Order.

“Company” means 2192314 Ontario Inc. o/a Tetu Island Lodge.

“Confidential Information” means any information provided to the Purchaser by the Company or by the Vendor as part of the sales process contemplated by this Agreement.

“Contracts” means all contracts for the lease of equipment, the lease of any real property and all contracts for the supply or sale of any service or product and also includes any chose in action.

“Court” means the Ontario Superior Court of Justice.

“Deposit” has the meaning set forth in Subsection 2.05(a).

“Environmental Laws” mean all requirements under or prescribed by common law and all federal, provincial, regional, municipal and local laws, rules, statutes, ordinances, regulations, guidelines, directives, notices and orders from time to time with respect to the discharge, generation, removal, storage or handling of any Hazardous Substances.

“Equipment” means all machinery, vehicles, equipment, fixtures, furniture and other fixed assets of and owned by the Company used in connection with the Business currently installed and in use at the Premises.

“Excluded Assets” mean the property and assets listed at Schedule “B”.

“Hazardous Substances” means any contaminant, waste ponds, pollutant, dangerous substance, potentially dangerous substances, noxious substance, toxic substance, hazardous waste, flammable material, explosive material, radioactive material, urea-formaldehyde foam insulation, asbestos, PCBs radiation and any other substance, material, effect, or thing declared or defined to be hazardous, toxic, a contaminant, or pollutant, in or pursuant to any Environmental Laws.

“HST” means all goods and service taxes payable under the Harmonized Sales Tax legislation.

“Inventory” means all of the Vendor’s and the Company’ right, title and interest, if any.

“Person” means an individual, body corporate, sole proprietorship, partnership or trust or unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person, acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative or governmental authority.

“Premises” means the buildings located on the Real Property.

“Property” means all of the Company’ current property, assets and undertaking of every nature and kind whatsoever and wheresoever situate.

“Purchase Price” has the meaning set forth in Section 2.04.

“Purchased Assets” means the Vendor’s and the Company’ interest, if any, in and to all of the property and assets of every kind and description, and wheresoever situate, of the business of the Company, operated out of the Premises, including the property and assets used in the Business, Contracts, Equipment, Real Property and includes without limitation all of the property and assets listed at Schedule “A” but does not include the Excluded Assets.

“Real Property” means the lands and premises described as PINs 42180-1922 (LT), 42180-1923 (LT) and 42180-1924 (LT) with Land Registry Office #23, including appurtenant easements, all rights of way, licences or rights of occupation, operating licences permits, easements or other similar rights.

“Receiver’s Certificate” means a certificate signed by the Vendor, a form of which shall be attached to the Approval and Vesting Order, confirming that all terms and conditions under this Agreement have been either satisfied or waived, and that the Transaction has been completed to the satisfaction of the Vendor.

“**Tax Authority**” means any local, municipal, regional, provincial, territorial, state, federal or other fiscal, customs or excise authority, body or officials anywhere in the world with responsibility for, and legally competent to impose, collect or administer, any form of tax.

“**Time of Closing**” means 2:00 p.m. on the Closing Date or such other time on the Closing Date as the parties agree in writing.

“**Transaction**” means the transaction of purchase and sale contemplated by this Agreement.

1.02 Entire Agreement

This Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no representations, warranties or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or other agreements and documents delivered pursuant to this Agreement.

1.03 Time of Day

Unless otherwise specified, references to time of day or date mean the local time or date in the City of Ottawa, Province of Ontario.

1.04 Business Day

Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, the payment is to be made or action taken on the next Business Day following.

1.05 Governing Law and Attornment

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario. Each of the parties irrevocably submits and attorns to the exclusive jurisdiction of the Court to determine all issues, whether at law or in equity arising from this Agreement. To the extent permitted by applicable law, each of the parties irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the Court or that the subject matter of this Agreement may not be enforced in the Court.

1.06 Certain Rules of Interpretation

- (a) In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders.

- (b) The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents and Schedules are for convenience of reference only and do not affect the construction or interpretation of this Agreement. References to an Article, Section, Subsection or Schedule refer to the applicable article, section, subsection or schedule of this Agreement.
- (c) Unless otherwise specified, any reference in this Agreement to any statute includes all regulations made thereunder and refers to such statute as amended, or to any restated or successor legislation of comparable effect.

1.07 Currency

Unless otherwise specified, all statements of or references to dollar amounts in this Agreement are to Canadian currency.

1.08 Schedules

The following is a list of Schedules that form part of this Agreement:

<u>Schedule</u>	<u>Subject Matter</u>	<u>Section Reference</u>
"A"	Purchased Assets	1.01
"B"	Excluded Assets	1.01
"C"	Approval and Vesting Order	4.01(a)

ARTICLE 2 SALE AND PURCHASE AND ASSIGNMENT

2.01 Sale and Purchase of the Purchased Assets

Subject to the terms and conditions of this Agreement, the Vendor will sell to the Purchaser and the Purchaser will purchase from the Vendor, all of the Vendor's and the Company's right, title and interest, if any, in the Purchased Assets on the Closing Date.

2.02 Assignment of Contracts

The Vendor, to the extent known by the Vendor, will assign to the Purchaser any of the Company's rights, benefits and interests in and to any Contract to the extent that the Contract can be assigned. This Agreement and any document delivered in connection with this Transaction will not constitute an assignment or an attempted assignment of any Contract which is not assignable without the consent of a third party if such consent has not been obtained and such assignment or attempted assignment would constitute a breach of such Contract or, in the alternative, if an order of the Court authorizing and approving the assignment of the Contracts to the Purchaser has not been obtained. Purchaser has right to decline assignment of any contract it chooses.



2.03 Purchaser's Acknowledgments

The Purchaser hereby acknowledges, undertakes and agrees with, and to be subject to, the following:

- a. The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" basis as they exist on the Closing Date without recourse to the Vendor. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor is selling the Purchased Assets pursuant to the Approval and Vesting Order and that the Purchaser has conducted such inspections of the condition of title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. The Purchaser further acknowledges that no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, conditions, quantity or quality, assignability or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell them. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act (Ontario)* or similar legislation do not apply to this Transaction and have been waived by the Purchaser and the list of Purchased Assets hereto has been provided for reference purposes only and shall not affect the interpretation of this Agreement.
- b. Subject to the provisions of this agreement, the Vendor has made no representations, warranties, statements or promises (save and except as expressly stated herein) and has not agreed to any conditions with respect to the Purchased Assets, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, all of which are expressly excluded, including: as to the presence or absence of contaminants (as such term is defined pursuant to the *Environmental Protection Act (Ontario)*) on, in or about the Purchased Assets; the discharge of contaminants from, on, or in relation to the Purchased Assets; the existence, state, nature, identity, extent or effect of any administrative orders, control orders, stop orders, compliance orders or any other orders, proceedings or actions under the *Environmental Protection Act (Ontario)* or any other applicable law in relation to the Purchased Assets, nor the existence, state, nature, kind, identity, extent or effect of any liability on the Purchaser to fulfill any obligations with respect to the environmental condition or quality of the Purchased Assets. The Purchaser acknowledges that it accepts the Purchased Assets subject to their environmental conditions and any contamination, whether or not such environmental conditions or contamination is known to the Vendor prior to the date hereof, and acknowledges that the Purchaser will have no recourse against the Vendor for any such pre-existing environmental conditions or contaminations.
- c. It is responsible for conducting its own due diligence, searches and investigations of the current and past uses of the Purchased Assets, and it is relying entirely upon its own due diligence, investigations and inspections in entering into this Agreement.



- d. The Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Purchased Assets is or will be lawful or permitted.
- e. It is satisfied with the Purchased Assets and all matters and things connected therewith or in any way related thereto.
- f. It is purchasing the Purchased Assets on an “as is, where is” and “without recourse” basis including, without limitation, outstanding work orders, deficiency notices, compliance, requests, development fees, imposts, lot levies, sewer charges, zoning and building code violations and any outstanding requirements which have been or may be issued by any governmental authority having jurisdiction over the Purchased Assets.
- g. It relies entirely on its own due diligence, judgment, inspection and investigation of the Purchased Assets and acknowledges that any documentation relating to the Purchased Assets obtained from the Vendor has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Agreement. Any documents or information provided by the Vendor are being provided to the Purchaser merely as a courtesy and without any representations or warranties whatsoever.
- h. The Vendor shall have no liability or obligation with respect to the value, state or condition of the Purchased Assets, whether or not the matter is within the knowledge or imputed knowledge of the Vendor, its officers, employees, directors, agents, representations and contractors.
- i. The Vendor has made no representations or warranties with respect to or in any way related to the Purchased Assets, including without limitation, the following: (i) the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Purchased Assets, either stated or implied; and (ii) the environmental state of the Purchased Assets, the existence, nature, kind, state or identity of any Hazardous Substances on, under, or about the Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law now in existence, or the state, nature, kind, identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Substances whether on, under or about the Purchased Assets or elsewhere.
- j. Without limitation, all of the Purchased Assets shall be as they exist on the Closing Date with no adjustments to be allowed to the Purchaser for changes in conditions or qualities from the date hereof to the Closing Date. The Purchaser



acknowledges and agrees that the Vendor is not required to inspect the Purchased Assets or any part thereof and the Purchaser shall be deemed, at its own expense to have relied entirely on its own inspection and investigation.

- k. The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Real Property, if any, or encroachments of the said property onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting the Property.
- l. The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document providing evidence of this Agreement against title to the Real Property. Should the Purchaser be in default of its obligations in this regard, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Real Property. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property.

2.04 Purchase Price

Subject to adjustment in accordance with Section 2.06, the purchase price (the "Purchase Price") for the Purchased Assets is **Hundred and Thousand Dollars), allocating \$) Hundred Thousand Dollars) to Building & Property and \$ (Hundred and Thousand Dollars) to Equipment.**

2.05 Payment and Allocation of Purchase Price

The Purchase Price, shall be payable as follows:

- (a) the sum of \$ () d) equal to 20% of the Purchase Price shall be delivered to the Vendor and held as a deposit (the "Deposit") upon acceptance of this Agreement by the parties; and
- (b) the sum of \$ 0 () plus any taxes payable shall be paid on the Closing Date subject to any adjustments referred to herein.

All amounts payable to the Vendor either by way of deposit or otherwise shall be paid to the Vendor's lawyer by way of wire transfer through a major Canadian bank listed in Schedule I to the *Bank Act (Canada)*. Other than as expressly set out herein, the Purchase Price shall not be subject to post closing adjustment in favour of the Purchaser.

The Purchaser shall provide to the Vendor a final allocation of the Purchase Price between the Purchased Assets within three (5) Business Days of execution of this Agreement. In the event the parties do not agree on the allocation, they can each allocate as they see fit, and this Agreement shall remain in place and continue.

2.06 Adjustments

The Purchase Price shall be adjusted on closing for municipal taxes and utilities in accordance with the provisions set out below. There shall be no adjustment for development fees, imposts, lot levies, assessments, local improvement charges and/or any other charges.

Municipal Taxes

The Vendor and the Purchaser agree that the adjustment for the current year's municipal taxes shall be based upon 100% of the municipal taxes for the Real Property for the year previous to the one in which this Transaction is scheduled to close, unless as at the date of this Agreement the relevant municipality has issued the final tax bill for the Real Property, for the year in which this Agreement is scheduled to close, in which latter case the said adjustment shall be on the basis of the said final tax bill. In either case, the day of closing shall be apportioned to the Purchaser. The Vendor and the Purchaser further agree that there will be no further adjustment for municipal taxes, and that the Vendor will not provide its undertaking to re-adjust any item relating to municipal taxes on the Statement of Adjustments.

Utilities

Any water, hydro, gas, and/or oil charges for the Real Property shall be adjusted as of the Closing Date. To the extent possible, all meters will be read on the Closing Date. To the extent meters in respect of utilities cannot be read as at the Closing Date, then such utility adjustments shall be estimated for in the Closing Adjustments Statement and re-adjusted post-closing.

Not later than the fourth (4th) business day preceding the Closing Date, the Vendor shall deliver a draft closing adjustments statement to the Purchaser which shall have annexed to it complete details of the calculations used by the Vendor to arrive at all debits and credits thereon (the "**Closing Adjustments Statement**"). In the event the Purchaser disputes any amount set out in the Closing Adjustments Statement, it shall do so by written notice to the Vendor not later than the second (2nd) Business Day preceding the Closing Date.

If the Vendor and the Purchaser, together with their respective advisors, are unable to resolve any such dispute with respect to the Closing Adjustments Statement then the Vendor shall have the option to close the Transaction subject to a motion for directions to resolve the dispute (the "**Motion for Direction on the Adjustments**"). If the Vendor opts to proceed with the Motion for Direction on the Adjustments, the Vendor and Purchaser shall be responsible for one-half (1/2) of the fee and expenses of the Motion for Direction on the Adjustments.



2.07 Taxes

The Purchaser will pay upon Closing, in addition to the Purchase Price, all applicable federal and provincial taxes applicable in connection with the purchase and sale of the Purchased Assets including, without limitation, HST. Alternatively, where applicable, the Purchaser will have the option to furnish the Vendor with appropriate elections or exemptions certificates. The Purchaser and the Vendor shall jointly execute and the Purchaser shall file the election forms referred to above with the proper Tax Authority.

The Purchaser agrees to indemnify and save the Vendor harmless from and against all claims and demands for payment of all applicable taxes including penalties and interest and any liability or costs incurred as a result of any failure by the Purchaser to pay such taxes when due.

2.08 Employees

There are no employees being assumed by the Purchaser.

2.09 Protection of Purchased Assets

The Vendor shall preserve and protect the Purchased Assets, including by using commercially reasonable efforts to maintain property and casualty insurance policies in respect of the Purchased Assets with coverage consistent with that currently in force, until Closing.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Purchaser's Representations

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Ontario;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) it is not a non-Canadian for the purpose of the *Investment Canada Act* (Canada) and it is not a non-resident of Canada with the meaning of the *Income Tax Act* (Canada).



3.02 Vendor's Representations

The Vendor represents and warrants to the Purchaser that:

- (a) if applicable, and subject to the Appointing Order it has the authority to enter into this Agreement and to sell and convey its and the Company' right title and interest, if any, in and to the Purchased Assets to the Purchaser in the manner contemplated by this Agreement;
- (b) if applicable, it is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (c) it has been appointed Receiver of the Company pursuant to the Appointing Order; and
- (d) except pursuant to this Agreement and/or the Appointing Order, it has done no act to dispose of or have any lien created or placed on any of the Purchased Assets, except as provided for in the Appointing Order.



ARTICLE 4 CONDITIONS

4.01 Conditions of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Date:

- (a) the Vendor shall have obtained on or before the Closing Date an order of the Court approving the sale of the Purchased Assets to the Purchaser and an order vesting all of the right, title and interest of the Company and the Vendor, if any, in and to the Purchased Assets, free and clear of all liens, charges, mortgages, security interests, writs, executions or any other claims in the form attached at Schedule "C" (the "**Approval and Vesting Order**");
- (b) the Approval and Vesting Order shall not have been stayed, varied or vacated and no order shall have been issued to restrain or prohibit completion of the Transaction;
- (c) the representations and warranties of the Vendor contained in this Agreement will be true as of the Closing Date with the same effect as though made on and as of that date; and
- (d) the Vendor will have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition may be waived by the Purchaser in whole or in part. Any such waiver will be binding on the Purchaser only if made in writing.

4.02 Conditions of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in this Agreement will be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser will have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (c) the Vendor shall have obtained the Approval and Vesting Order with 120 days of acceptance of this Agreement;



- (d) the Approval and Vesting Order shall not have been stayed, varied or vacated and no order shall have been issued to restrain or prohibit completion of the Transaction; and
- (e) at the Closing Time, no order shall have been issued by a court of competent jurisdiction which remains in effect and no action or proceeding shall have been instigated which remains pending before any court of competent jurisdiction, to prevent or otherwise affect the purchase and sale of the Purchased Assets or any portion thereof pursuant to this Agreement.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver will be binding on the Vendor only if made in writing.

4.03 Non-Satisfaction of Conditions

If any condition set out in this Article is not satisfied or performed prior to the time specified therefore, a party for whose benefit the condition is inserted may in writing:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part; or
- (b) elect, on written notice to the other party, to terminate this Agreement before Closing.



ARTICLE 5 CLOSING

5.01 Closing

The completion of the Transaction will take place at the offices of the Vendor in Ottawa, Ontario on the Closing Date or as otherwise determined by mutual agreement of the parties in writing once the Vendor has obtained the Approval and Vesting Order.

In the event that by the Closing Date (i) appeal proceedings of the Approval and Vesting Order have been commenced, (ii) any issue is raised with respect to this Agreement which the Vendor determines impairs the ability of the Vendor to complete this Agreement, or (iii) an injunction or other court order is obtained or sought preventing the Vendor from completing this Agreement which the Vendor is unable or unwilling to remove, the Vendor shall have the option of either: (i) terminating this agreement; or (ii) subject to the following paragraph of this article 5.01, extending the Closing Date for a period or periods of time to allow additional time in order for all matters enumerated above to be obtained or otherwise resolved, in either case, by notice in writing to the Purchaser or to the Purchaser's solicitors. If the Vendor is unable or unwilling to resolve any issue enumerated above before the expiration of the extension period or periods provided for in this article 5.01, the Vendor may terminate this Agreement by notice in writing to the Purchaser or to the Purchaser's solicitors. Upon a termination of this Agreement by the Vendor under this article 5.01, this Agreement shall be null and void and neither the Vendor nor the Purchaser shall have any further liability or obligation to the other provided the Deposit shall be returned to the Purchaser without deduction (except for those liabilities and obligations herein expressly stated to survive termination) and neither shall be liable for any costs, expenses, loss or damages as a result of such termination.

If, through no fault of the Purchaser, the Closing has not occurred by the date which is 120 Days after the date of execution and delivery of this Agreement by both parties, then this Agreement will be null and void and neither party shall be liable to the other for any costs or damages as a result of this Agreement becoming null and void, provided that the Deposit shall be returned to the Purchaser without deduction.

5.02 Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser will execute and deliver to the Vendor the following, each of which will be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) the balance of the Purchase Price in accordance with Subsection 2.05;
- (b) a certificate dated as at the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date;



- (c) a certificate dated as at the Closing Date, confirming that each of the conditions precedent in Section 4.01 have been fulfilled, performed or waived as of the Closing Date;
- (d) furnish the Vendor with evidence of the Purchaser's sales tax registration numbers and sales tax exemption certificates including, without limitation evidence of the Purchaser's Harmonized Sales Tax registration number under the Excise Tax Act (Canada); and,
- (e) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

5.03 Vendor's Deliveries on Closing

At or before the Time of Closing, the Vendor will execute and deliver to the Purchaser the following, each of which will be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a certificate dated as at the Closing Date, confirming that all of the representations and warranties of the Vendor contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (b) a certificate dated as at the Closing Date confirming that each of the conditions precedent in Section 4.02 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (c) a true copy of the Approval and Vesting Order and a true copy of the Receiver's Certificate contemplated thereby; and
- (d) such further and other documentation as is referred in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

5.04 Purchaser's Acknowledgement

The Purchaser acknowledges that the Vendor is selling the right, title and interest, if any, of the Company in and to the Purchased Assets pursuant to the Vendor's powers as may be authorized pursuant to the Appointing Order and the Approval and Vesting Order. The Purchaser agrees to purchase and accept the right, title and interest of the Company, if any, in and to the Purchased Assets pursuant to and in accordance with the terms of this Agreement.

The Purchaser shall be satisfied, acting reasonably, with the service list in respect of the Receiver's application for the Approval and Vesting Order. If the Purchaser shall not have indicated its acceptance of, or provided comments in respect of, the Receiver's proposed service list within two (2) business days of the Purchaser's receipt of such list, the Purchaser shall be deemed to have approved such list.



The Purchaser acknowledges that the Purchaser has had an opportunity to obtain independent advice including, without limitation, independent real estate, accounting and legal advice, prior to the execution of this agreement of purchase and sale, together with all schedules thereto.

5.05 Possession of Purchased Assets

The Purchaser will take possession of the Purchased Assets where situate at the Time of Closing. The Purchaser acknowledges that the Vendor has no obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event will the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the Purchaser has satisfied all delivery requirements outlined in Section 5.02.

5.06 Risk

The Purchased Assets will be and remain at the risk of the Vendor until the time of Closing and at the risk of the Purchaser from and after the time of Closing. If, prior to the time of Closing, the Purchased Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Purchaser may decline to complete the Transaction. Such option will be exercised within 10 days after notification to the Purchaser by the Vendor of the occurrence of damage or destruction, in which event this Agreement will be terminated automatically without any other compensation other than the return of the Deposit without interest. If the Purchaser does not exercise such option, it will complete the Transaction and will be entitled to an assignment of the proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser will complete the Transaction and will be entitled to an assignment of the proceeds of insurance referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement. If any dispute arises under this Section as to whether damage or destruction is substantial or with respect to the amount of any abatement, such dispute will be determined in accordance with the arbitration provision referred to in Section 5.07.

5.07 Arbitration

If any dispute arises under Section 5.06 as to whether any damage or destruction is substantial or with respect to the amount of any abatement, respectively, such dispute will be determined by an arbitrator mutually acceptable to the parties. If the parties fail to agree on an arbitrator, either may, after such party has notified the other of such failure to agree, give notice to the other party that it wishes to submit the dispute to arbitration by a single arbitrator in accordance with the *Arbitration Act, 1991 (Ontario)*. The decision of the arbitrator, which will be final and binding on the parties, will be made as soon as possible following his appointment. The fees and expenses of the arbitration will be borne equally by the parties.



5.08 Termination

If either the Vendor or the Purchaser validly terminates this Agreement pursuant to the provisions of Section 4.03:

- (a) all of the obligations of both the Vendor and the Purchaser pursuant to this Agreement will be at an end;
- (b) neither party will have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other; and
- (c) the Deposit will be returned, without interest thereon, to the Purchaser.

5.09 Breach by Purchaser

If the Purchaser fails to comply with the terms of this Agreement, the Vendor may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit and any other payments made by the Purchaser as at the date of breach will be forfeited to the Vendor on account of its liquidated damages, and the Purchased Assets may be resold by the Vendor.

ARTICLE 6 POST-CLOSING

6.01 Storage and Access to Books and Records

The Purchaser shall store and safeguard the books and records of the Company, if any, and the Business for a period of at least six (6) months following Closing in a commercially reasonable manner and shall provide the Vendor with access to such books and records as the Vendor may, at any reasonable time or times during business hours, require. In particular, the Vendor shall have access, during the aforementioned period and at reasonable time or times during business hours, to such books and records for any technical audit or financial reviews required to be conducted by the Canada Revenue Agency. Following this six (6) month period, the Purchaser shall be entitled to deal with the books and records of the Company in its sole and unfettered discretion.

ARTICLE 7 GENERAL

7.01 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered by the Vendor or the Purchaser in connection with this Transaction or this Agreement, including any letters of



intent or expressions of interest, the provisions of this Agreement will prevail to the extent of such conflict or inconsistency.

7.02 Receiver's Capacity

The Vendor shall act solely in its capacity as receiver of the Company and will have no personal or corporate liability under this Agreement.

7.03 Confidentiality

All information provided to the Purchaser by the Company or by the Vendor in connection with the Transaction will be considered Confidential Information. Any publicity relating to the Transaction and the manner of releasing any information regarding the Transaction will be mutually agreed upon by the Vendor and the Purchaser, both parties acting reasonably.

The Purchaser agrees that all information and documents supplied by the Vendor or anyone on its behalf to the Purchaser or anyone on the Purchaser's behalf (including but not limited to information in the schedules hereto) shall, unless and until Closing occurs, be received and kept by the Purchaser and anyone acting on the Purchaser's behalf on a confidential basis and shall not without the Vendor's prior written consent be disclosed to any third party. If for any reason Closing does not occur, all such documents shall forthwith be returned intact to the Vendor and no copies or details thereof shall be retained by the Purchaser or anyone acting on its behalf. The Purchaser further agrees that the Purchaser shall keep the terms of this Agreement confidential and shall not disclose the same to anyone except the Purchaser's solicitors, agents or lenders acting in connection herewith and then only on the basis that such persons also keep such terms confidential as aforesaid.

7.04 Costs and Expenses

Except as otherwise specified in this Agreement, all costs and expenses (including the fees and disbursements of accountants, legal counsel and other professional advisers) incurred in connection with this Agreement and the completion of the transactions contemplated by this Agreement are to be paid by the party incurring those costs and expenses.

7.05 Time of Essence

Time is of the essence in all respects of this Agreement.

7.06 Notices

Any communication must be in writing and either:

- (a) personally delivered; or
- (b) sent by facsimile, electronic mail or similar method of recorded communication.

Any communication must be sent to the intended recipient at its address as follows:

Sale of 2192314 Ontario Inc.
E.&O.E.

MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, Ontario K1Z 1G3
Attention: John Haralovich
Fax: 613-726-9009
E-Mail: john.haralovich@mnp.ca

with a copy to:

Soloway Wright
Ottawa, Ontario
Attention: Andre Ducasse
Fax: 613.238-8507
E-Mail: aducasse@solowaywright.com

with a copy to (Purchasers Legal Representative):

or at such other address as any party may from time to time advise the other by communication given in accordance with this Section 7.06. Any communication delivered to the party to whom it is addressed will be deemed to have been given and received on the day it is so delivered at that party's address, provided that if that day is not a Business Day then the communication will be deemed to have been given and received on the next Business Day. Any communication transmitted by facsimile or other form of recorded communication will be deemed to have been given and received on the day on which it was transmitted (but if the communication is transmitted on a day which is not a Business Day or after 5:00pm (local time of the recipient), the communication will be deemed to have been received on the next Business Day).

7.07 Further Assurances

Each party shall, at the requesting party's cost, execute and deliver such further agreements and documents and provide such further assurances as may be reasonably required by the other party to give effect to this Agreement and, without limiting the generality of the foregoing, shall do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide such assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies.

7.08 Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a



waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

7.09 Assignment and Enurement

Neither this Agreement nor any right or obligation hereunder may be assigned by the Purchaser without the prior consent of the Vendor.

7.10 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a Court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement; or the legality, validity or enforceability of that provision in any other jurisdiction.

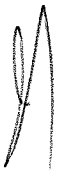
7.11 Counterparts and Facsimile or Electronic Signature

This Agreement may be executed and delivered by the parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument. Delivery of this Agreement by facsimile or electronic transmission constitutes valid and effective delivery.

7.12 Receiver's Liability

MNP Ltd. is signing this Agreement in its capacity as court-appointed receiver of the property, assets and undertakings of the Company, and the Purchaser acknowledges and agrees that MNP Ltd. its solicitors, agents, directors, officers and employees, shall have no personal liability under, as a result of, or in connection with any obligations of the Company (and anyone for whom it is in law responsible) under this Agreement. The Purchaser shall have no recourse in respect of this Agreement against any property or assets except for an unsecured claim against the Company' property, assets and undertakings.

The Purchaser shall indemnify and save harmless the Vendor and its directors, officers, representatives, employees and agents (collectively, the "Indemnitees") from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the operations of the Purchaser on the Purchased Assets or any order, notice, directive, or requirement under, or breaches, violations or non-compliance with any Environmental Laws after the Closing Date or as a result of the disposal, storage, release or threat of release or spill on or about the Purchased Assets of any Hazardous Substance after the Closing Date. The obligation of the Purchaser hereunder shall survive the Closing Date.



The Purchaser shall indemnify the Vendor and save harmless the Indemnitees from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the failure of the Purchaser to pay any taxes, duties, fees and like charges exigible in connection with the Agreement. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining, any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Purchased Assets.

The Purchaser agrees to release and discharge the Vendor together with its directors, officers, employees, agents and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Substance relating to the Purchased Assets. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor to clean up or remove or pay for the cleanup or removal of any Hazardous Substance, remediate any condition or matter in, on, under or in the vicinity of the Property or seek an abatement in the Purchase Price or damages in connection with any Hazardous Substance. This provision shall not expire with, or be terminated or extinguished by or merged in the Closing of the transaction of purchase and sale, contemplated by this Agreement, and shall survive the termination of this Agreement for any reason or cause whatsoever and the closing of this transaction.

7.13 Irrevocability

This Agreement shall be irrevocable by the Purchaser until 12:00 pm on September 14th, 2021, at which time if not accepted, this Agreement shall be null and void.

(SIGNATURE PAGE TO FOLLOW)



(SIGNATURE PAGE)

Each of the parties has executed and delivered this Agreement, as of the 7th day of September, 2021.

MNP LTD., in its capacity as the court appointed Receiver of 2192314 Ontario Inc. and not in its personal or corporate capacities

Per: 

John P. Haralovich, CPA, CA, CIRP, LIT
Senior Vice President

I have authority to bind the Receiver

Per: 

John Williams and/or Nominee

I have authority to bind the Purchaser

SCHEDULE "A"

PURCHASED ASSETS

Plus as per the attached list

A handwritten signature or set of initials, possibly 'M', located in the bottom right corner of the page.

SCHEDULE "A"

2192314 Ontario Inc.

Summary of other assets

YEAR	PROPERTY DESCRIPTION	SERIAL #
2006	Bobcat T300	532011160
2011	Yamaha 90HP Motor	F90X-X1047157
2011	Crestliner Super Hawk 2000 Boat	NOR91400K203
2011	Crestliner 2100 Sport Fish Boat 2000	NOR53229F798
2007	Honda 225HP Motor	BAEJ 1100633
2011	Honda 225HP Motor	BAEJ 1600169
2012	Yamaha F90X - Lease #185	F90X-X1046892
2015	Alumacraft Competitor 185 T	ACBV9527J415
2015	Alumacraft Competitor 185 T	ACBV1207F515
2015	Alumacraft Competitor 185 T	ACBV1209G515
2015	Alumacraft Competitor 185 T	ACBV1208G515
2013	Alumacraft Competitor 185 T	ACBV1206F515
2015	Alumacraft Competitor 185 T	ACBV1059E515
2015	Alumacraft Competitor 185 T	ACBV1057E515
2015	Alumacraft Competitor 185 T	ACBV1210G515
2015	Yamaha F90XA	F90X-X1078461
2015	Yamaha F90XA	F90X-X1078140
2015	Yamaha F90XA	F90X-X1077886
2016	Alumacraft Competitor	ACBV3143E616
2016	Alumacraft Competitor	ACBV3145E616
2016	Alumacraft Competitor	ACBV1211H516
2016	Alumacraft Competitor	ACBV3140E616
2016	Alumacraft Competitor	ACBV1396G516
2016	Alumacraft Competitor	ACBV3141E616
2016	Alumacraft Competitor	ACBV3142E616
2016	Alumacraft Competitor	ACBV3144E616
2016	Yamaha 90HP	FX90XA-X1083464
2016	Yamaha 90HP	FX90XA-X1083452
2016	Yamaha 90HP	FX90XA-X1083451
2016	Yamaha 90 HP	F90XA-61PX1083465
2016	Yamaha	F90X-1046548
2016	Yamaha	F90X-1047101
2016	Yamaha	F90X-1046880
2016	Yamaha	F90X-1047105
2016	Yamaha	F90X-1047156
2016	Yamaha	F90XA-1083462
2016	Yamaha	F90X-1087101
2016	Yamaha	US-ORO387275806
2016	Yamaha	US-CRC386170808
2016	Yamaha	US-CRC387A0E808

Assets not confirmed to be on site (therefore excluded unless identified prior to closing)

2011	Crestliner Super Hawk 2000 Boat	NOR91470K203
2013	Shorelander G3V34BLW	1MDAPAT15DA5269
2013	Shorelander G3V34BLW	1MDAJMT149A4194
2013	Shorelander G3V34BLW	1MDAJMT149A4192
2013	Shorelander G3V34BLW	1ZEAAYP093A0345
2015	Yamaha F90XA	F90X-X1077888
2015	Eagle E18-24WF Trailer	4H1002112G50062
2015	Eagle E18-24WF Trailer	4H1002112G50062
2015	Eagle E18-24WF Trailer	4H1002116H051024
2016	Yamaha 90HP	FX90XA-X1083460
2016	Yamaha 90HP	FX90XA-X1083470
2016	Yamaha 90HP	FX90XA-X1083455
	Alumacraft Trophy 205BRS with 2016 Yamaha	
2016	VF250XA-SHO s/n 6FRX 1001883	ACBJ3604E616
2016	Eagle Trailer E20-50TTBW	4H1002326H051147
2016	Yamaha 225	VF225LA-L1003761
2016	Yamaha 250	VF250XA-X1001883
2016	Trailer	ABZK058

SCHEDULE "B"

EXCLUDED ASSETS

- All of the Company' Accounts
- Assets owned by third parties
- Personal assets of owners, who will be required to provide sufficient proof of ownership

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a single name.

SCHEDULE "C"

APPROVAL AND VESTING ORDER
(to be included when agreement is fully executed)

(balance of page intentionally blank; form of Order to follow)

A handwritten signature in black ink, consisting of a stylized, cursive letter 'A' or similar character, located in the bottom right corner of the page.

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RECEIVER CERTIFICATE

CERTIFICATE 1

AMOUNT \$ 75,000.00

1. THIS IS TO CERTIFY that MNP LTD. the receiver (the "Receiver") of all of the assets, undertakings and properties of 2192314 Ontario Inc. O/A Tetu Island Lodge (the "Debtor"), acquired for, or used in relation to the Property appointed by Order of the Ontario Superior Court of Justice (the "Court") dated April 21, 2021 (the "Order") made in an action having Court file number CV-21-00659396-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$75,000.00 being part of the total principal sum of \$75,000.00 which the Receiver is authorized' to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated after the date hereof at a notional rate per annum equal to the rate of per cent above the prime commercial lending rate of Bank of from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 505 Burrard Street, Suite 2000, Vancouver BC, V7X 1M3.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the

Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.


6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 10th day of June 2021.

MNP LTD.
Court Appointed Receiver of
2192314 Ontario Inc.

By: _____


Name: John Haralovich, CPA, CA, CMA, CIRP, LIT
Title: Senior Vice President
Debtor/Firm: MNP LTD.

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Ministry of Finance
Ministère des Finances
PO Box/CP 58
Thunder Bay ON P7C 0A5

1 866 400 2122
1 888 321-6774 TTY/ATS

Tax Certificate Certificat de taxes

Certificate No.
N° de certificat **17196**

Tax Certificate Fee/Frais relatifs au certificat de taxes
\$50.00

Certified as at/Certifié en date du
Aug/Août 23, 2021

Reference No./N° du référence

Roll No./N° du rôle
6099 500 950 00200 0000

Owner(s)/Propriétaire(s)
2192314 ONTARIO INC

Property Description/Description du bien foncier

LOC EB746 PCL 2451, HL69 PCL
1541, EB 1400 PCL 2970 PT
ISLD 716

Add Interest/Penalty for

AUG 19 2021

6.13

Ministry of Finance
Add Interest/Penalty for

SEP 01 2021

17.64

Ministry of Finance

Tax Certificate Requested by/Certificat de taxes demandé par

SOLOWAY WRIGHT LAWYERS
900 - 147 LAURIER AVE W
OTTAWA ON K1R 7Y2

Please notify the Ministry of Finance in writing of any changes in ownership after the closing date.

Veuillez informer le ministère des Finances, par écrit, de tout changement de propriétaire après la date de clôture.

Statement of Tax Arrears / Relevé des arriérés d'impôts

Year Année	Taxes Outstanding Taxes Impayées	Penalty/Interest Outstanding Pénalités/Intérêts Impayés	Balance Outstanding Solde dû
2020	\$52.68	\$3.30	\$55.98
2019	\$0.00	\$0.00	\$0.00
2018+	\$0.00	\$0.00	\$0.00

Prior Year Tax Levy /
Taxes prélevées année précédente \$1,736.58

Total Arrears / total des arriérés \$55.98

Statement of Current Taxes / Relevé des taxes courantes

Taxes Levied Taxes prélevées	Penalty Added Pénalités Imposées	Total including Penalty Total (pénalités comprises)	Payments/Adjustments Paiements/Rajustements	Total Payable Montant total à payer
\$1,848.10	\$48.84	\$1,896.94	\$0.00	\$1,896.94

Due Dates and Instalment Amounts / Dates d'échéance et montants des acomptes

Interim Taxes/Provisoires	April/Avril 13, 2021	\$434.00
Interim Taxes/Provisoires	May/Mai 11, 2021	\$434.30
Final Taxes/Taxes Finales	August/Août 18, 2021	\$490.00
Final Taxes/Taxes Finales	September/Septembre 15, 2021	\$489.80

Penalty rate on past due taxes and arrears - 1.25%
Taux de pénalité sur les taxes en souffrance et les arriérés d'impôts - 1,25 %

Total Amount Due as of Aug 23, 2021
Montant total exigible en date du Août 23, 2021 **\$1,952.92**

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Ministry of Finance
PO Box 68
Thunder Bay ON P7C 0A5
1 866 400-2122
1 888 321-8774 TTY

Application for Tax Certificate

Under section 19(1) of the Provincial Land Tax Act, 2008

Date of Application							
Day		Month		Year			
1	9	0	8	2	0	2	1

To apply for a **Tax Certificate**, please submit this completed application, **including payment**, (cheques payable to the City of Thunder Bay) to:

By Mail:
Ministry of Finance
Provincial Land Tax
Box 58
Thunder Bay ON P7C 0A5

In Person:
Provincial Land Tax Office
500 Donald Street East
Thunder Bay Ontario

To be completed by Applicant	
Particulars of Property:	
Name of Current Owner 2192514 Ontario Inc.	Roll Number 6 0 9 9 5 0 0 9 5 0 0 0 2 0 0 0 0 0 0
Legal Description RCL 2451, H269 RCL 1541, EBM 400 PCL 2970, UNRESID 719	
Person Making this Application:	
Name Courtney MacNeil	Telephone Number 6 1 3 2 3 6 0 1 1 1
Mailing Address 700-427 Laurier Ave, W, Ottawa, ON K1R 7Y2	Fax Number 6 1 3 2 3 8 8 5 0 7

Information about the completion of this form may be requested from the Provincial Land Tax Office at the telephone number above.

A Tax Certificate will be issued for the roll number provided. The ministry is not responsible and will not reimburse any fees if the applicant provides the incorrect roll number.

The personal information on this form is collected under the authority of the *Provincial Land Tax Act, 2008 S.O. 2008, Chapter 33 Schedule 2.2* and will be used to process an Application for Tax Certificate under the Act. Questions about the collection should be directed to: Manager, Land Taxes, Audit Branch, 33 King Street West, PO Box 625, Oshawa ON L1H 8H9, 1.866 ONT-TAXS (1 866 668-8297).

To be completed by the Provincial Land Tax Office	
Prior Years Taxes (if final billing is not yet issued):	\$ Amount
P.L.T. Office Remarks	
Time of Application by Telephone	Date Received by Mail
Certificate Fee: <input type="checkbox"/> Paid	\$ Amount

Important Information

Penalty/Interest charges detailed are to the end of the month in which this certificate has been issued. Payments received after the end of the month or after the due dates may be subject to additional penalty/interest charges.

Cautions will be removed from accounts normally within a maximum of 14 days after receiving a Trust Cheque for the total balance owing on the account.

This statement of amounts owing for taxes is issued under the authority of the Provincial Land Tax Act, 2006 S.O. 2006, Chapter 33, Schedule Z.23 as amended (the Act), Section 19 and may be subject to the following:

1. Tax adjustments that may be made under sections 8, 9, 10 and 18 of the Act.
 2. Tax apportionments that may be made under section 11 of the Act.
 3. Charges applicable; under section 15 of the Act that have not been added to the tax roll at the date this certificate is issued.
 4. Payments made to the Minister being honored by the bank from which they are drawn.
- **Please contact the Local Services Board and/or the Local Roads Board regarding additional charges that may not be included on this tax certificate.**

Where this information is required to complete a purchase of property transaction, please ensure that purchasers are made aware of amounts & dates of outstanding installments & that bills issued are passed on to them from the vendor for payment. If a bill has been lost, obtain a new one or advise them to request a copy from the Provincial Land Tax office. ~~Where installments are unpaid because a purchaser claims he/she did not have a bill, the account is subject to applicable penalties/interest.~~

- **All payments should be made payable to *City of Thunder Bay-Provincial Land Tax***

Renseignements Importants

Les pénalités/les frais d'intérêts détaillés sont valables jusqu'à la fin du mois où le présent certificat a été délivré. Les paiements reçus après la fin du mois ou après les dates d'échéance pourraient faire l'objet de pénalités/frais d'intérêts additionnels.

Les avertissements sur le compte seront retirés dans des délais maximaux de quatorze (14) jours seulement après réception d'un chèque de fiducie pour la totalité du montant dû sur le compte.

La présent relevé des sommes exigibles au titre de l'impôt est émis aux termes de l'article 19 de la *Loi de 2006 sur l'impôt foncier provincial*, L.O. 2006, chapitre 33, annexe A.2 ainsi modifiée (la Loi), et peut assujetti à ce qui suit des:

1. rajustements d'impôt en vertu des articles 8, 9, 10 et 18 de la Loi.
 2. répartitions de l'impôt en vertu de l'article 11 de la Loi.
 3. frais applicables en vertu de l'article 15 de la Loi qui n'ont pas été ajoutés au rôle d'imposition à la date de délivrance du présent certificat.
 4. paiements faits à l'ordre du Ministre et sur le point d'être honorés par la banque d'où ils sont effectués.
- **Veillez contacter la régie locale des services publics et/ou la régie des routes locales pour des coûts additionnels qui peuvent ne pas être inclus sur ce certificat d'impôt.**

Lorsque cette information est requise lors d'une transaction immobilière, veuillez-vous assurer que les acheteurs soient informés des dates et des montants impayés et que les factures émises leur soient transmises par le vendeur pour paiement. S'il y a perte de facture, veuillez en obtenir une nouvelle ou leur conseiller d'en obtenir une copie au bureau de l'Impôt foncier provincial. Si l'acheteur prétend qu'il/qu'elle n'a pas de facture, le compte est sujet aux pénalités et intérêts applicables.

- **Le paiement devra être libellé à « *Ville de Thunder Bay – Impôt foncier provincial* »**

Ministry of Finance

Provincial Land Tax

Box 58

Thunder Bay ON P7C 0A5

Tel.: 866 400-2122

888 321-8774 TTY

Ministère des Finances

Impôt foncier provincial

CP 58

Thunder Bay ON P7C 0A5

Tél.: 866 400-2122

888 321-8774 ATS

**RE: NO LONGER REQUIRE OWNERSHIP CHANGE LETTERS**

Effective October 29, 2020, the Provincial Land Tax Office no longer requires law offices to forward notification of changes to property ownership.

The Provincial Land Tax office receives timely updates of sales information from the Municipal Property Assessment Corporation (MPAC) who directly receives ownership information from the Land Registry Office.

Please advise your client that their property is under the jurisdiction of Provincial Land Tax and to directly contact our office with tax billing inquiries, questions and address changes.

If the tax bill mailing address is different than that shown in Land Registry documents, the owner must send us an address change request stating the owner's name, roll number(s), correct mailing address and written signature of one of the owners. We accept address changes by fax, email or mail.

Email: plt@thunderbay.ca

Mail: PO Box 58
Thunder Bay ON P7C 0A5

Fax: 1-807-623-3378

If you have questions about this new procedure, please call our office at 1-866-400-2122.

Yours truly,

A handwritten signature in cursive script that reads "K. Caren".

Karen Caren
Provincial Land Tax Administration

Si vous désirez recevoir le présent avis en français, veuillez appeler le bureau de l'Impôt foncier provincial au numéro mentionné ci-dessus.

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Summerside PE C1N 6A2

0001612

RECEIVED
RS-113
2021
ED

Notice details

Business number	82918 6295 RT0001
Period covered	Feb 1, 2011 - Apr 30, 2011
Date issued	Aug 31, 2021

2192314 ONTARIO INC.
TETU ISLAND LODGE
C/O TETU ISLAND LODGE
800 - 1600 CARLING AVE
OTTAWA ON K1Z 1G3

Notice of assessment for goods and services tax/harmonized sales tax (GST/HST)

This notice explains the results of our assessment of your GST/HST return(s).

The amount you need to pay is **\$108,160.71**.

Thank you,

Bob Hamilton
Commissioner of Revenue

Account summary

Previous payments may not appear if they have not been processed. If you have already paid the balance owing, please ignore this request.

Total balance: \$108,160.71

Sign up for MyBA

MyBA lets you:

- Submit elections online
- View filed returns; and
- View account history.

Go to:

canada.ca/my-cra-business-account

2192314 ONTARIO INC.

Notice details

Business number	82918 6295 RT0001
Period covered	Feb 1, 2011 - Apr 30, 2011
Date issued	Aug 31, 2021

GST/HST assessment**Results**

This notice explains the results of our assessment of the GST/HST return(s) received on **August 9, 2021**, for the period shown above.

Description	\$ Amount	CR
Result of this assessment	10,008.50	CR
Previous balance	118,169.21	
Total balance	108,160.71	

To view your up-to-date account information, including payment transactions, go to **canada.ca/my-cra-business-account**.

We may take legal action to collect debts that you do not pay voluntarily.

For more information, please see the "Summary" and "Explanation of changes and other important information" sections of this notice.

Please keep this notice of assessment for your records.

2192314 ONTARIO INC.

Notice details

Business number	82918 6295 RT0001
Period covered	Feb 1, 2011 - Apr 30, 2011
Date issued	Aug 31, 2021

Summary

Reporting Period: Feb 1, 2011 - Apr 30, 2011

Reference Number: 21221000532370878

Sales and other revenue

Line	Description	\$ Amount	CR
101	Sales and other revenue	0.00	

Balance calculation

Line	Description	\$ Amount	CR
105	Total GST/HST and adjustments	0.00	
108	Total ITCs and adjustments	0.00	
109	Net tax assessed	0.00	
	Payment(s) applied	10,008.50	CR
	Net balance	10,008.50	CR
	Result of assessment	10,008.50	CR

Explanation of changes and other important information

We processed your GST/HST return for the period ending **April 30, 2011**.

We changed the total payment amount received to match our records. On your return, the total payment amount is **\$0.00** while the amount in our records is **\$10,008.50**.

More information

If you need more information, go to canada.ca/taxes.

To see your latest account information, including payment transactions, go to canada.ca/my-cra-business-account.

For information regarding options for adjusting your return, go to canada.ca/taxes-business-online and select "GST/HST return and/or rebate" under "Change", or see Guide RC4022, General Information for GST/HST Registrants. For faster service, submit your request electronically.

If you disagree with this assessment, go to canada.ca/cra-complaints-disputes and select the topic "Goods and services tax/harmonized sales tax (GST/HST)" for your objection options. You have 90 days from the date of this notice to register your dispute.

Definitions

CR (credit) is the amount we owe you.

Help for persons with visual impairments

You can get this notice in braille, large print, or audio format. For more information about other formats, go to canada.ca/cra-multiple-formats.

Direct deposit

Direct deposit is a faster, more convenient, reliable, and secure way to get all amounts deposited into one account or to have refunds and rebates from different programs deposited into different accounts. For more information, go to canada.ca/cra-direct-deposit.

Get your mail online

You can choose to receive your mail online. When you register for this new service, we will no longer print and mail most correspondence to you. Instead, we will notify you by email when you have mail to view in your secure online account. For more information, go to canada.ca/my-cra-business-account.

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Tax Centre
Hamilton ON L8R 3P7

RECEIVED
29/05/2021
620

May 06, 2021

2192314 ONTARIO INC.
TETU ISLAND LODGE
C/O MNP LTD.
800-1600 CARLING AVE.
OTTAWA ON K1Z 1G3

Account Number
82918 6295 RP0001

Dear John Haralovich:

Subject: 2192314 ONTARIO INC. sometime carrying on business as
TETU ISLAND LODGE
Account number: 82918 6295 RP0001

We were told that you have been appointed as receiver for the above-named. There is a debt owed to the Canada Revenue Agency for source deductions amounting to \$207,995.34 for income tax and Canada Pension Plan (CPP) contributions, as well as employment insurance (EI) premiums.

Details of the debt are as follows:

Tax deductions:	\$124,638.53	
CPP:	\$32,142.38	122,298.15
EI:	\$13,348.59	67,552.91
Penalties and interest:	\$37,865.84	
Total:	\$207,995.34	<u>54,745.24</u>

Further to the Income Tax Act, the Canada Pension Plan, and the Employment Insurance Act, the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of 2192314 ONTARIO INC. sometime carrying on business as TETU ISLAND LODGE in receivership.

Federal income tax:	\$86,859.84
Provincial income tax:	\$31,624.52
CPP employee part:	\$16,071.19
EI employee part:	\$5,561.91
Total:	\$140,117.46

Payment for the total amount of this trust, namely \$140,117.46, must be made to the Receiver General for Canada out of the realization of any property that is subject to these statutory

.../2

trusts in priority to all other creditors.

Please let us know when payment of this trust amount and the remaining balance of \$67,877.88 will be made.


This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the Income Tax Act for periods before or after your appointment, you must withhold tax deductions and remit payments in accordance with that subsection and sections 101 and 108 of the Income Tax Regulations.

Also, see section 5 of the Employment Insurance Act and section 8 of the Canada Pension Plan Regulations.

For more information or clarification, please call me at 416-997-1102.

Yours truly,



 K. Figaszewska (1214)
Insolvency Officer

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The Law Office of **Paul O. D'Angelo**
Barrister, Solicitor and Notary Public
t:(613)722-0015 f: (613)722-5932
pdangelo@bdlawoffices.com
www.bdlawoffices.com
200 - 1770 Woodward Drive
Ottawa ON K2C 0P8

September 21, 2021

BY EMAIL

Mr. John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa ON K1Z 1G3

Dear Mr. Haralovich

Re: Receivership of 2192314 Ontario Inc.

As retained by your office, the court-appointed Receiver for 2192314 Ontario Inc. (the "Company"), herein is our opinion on the security registered in favour of Business Development Bank of Canada ("BDC") against certain real property owned by the Company, and as against the Company itself.

We have reviewed the following as submitted by your office:

- (i) BDC Letter of Offer dated November 3, 2010 (the "Letter of Offer");
- (ii) BDC General Security Agreement with the Company dated May 2, 2011 (the "GSA");
- (iii) Charge/Mortgage receipted as KN40102 dated May 18, 2011, along with Schedule "A" and Standard Charge Terms No. 20011 (all cumulatively referred to as the "BDC Mortgage");
- (iv) Notice in favour of the Provincial Land Tax Collector registered against title to the Property (as defined below) on November 17, 2020, bearing registration No. KN98742 (the "Notice");

- (v) Tax Certificate bearing Certificate No. 15983 from Ministry of Finance, dated February 12, 2021, in respect of the Company and also referencing the Property (the "Certificate");
- (vi) Receivership Order of the Ontario Superior Court of Justice (Commercial List) dated April 21, 2021, obtained by BDC as against the Company;
- (vii) Letter from Canada Revenue Agency to the Company dated May 6, 2021 (the "CRA Letter");
- (viii) Parcel Registers for the Property (all as defined below) dated December 2, 2020, September 20, 2021 and September 21, 2021; and
- (ix) Personal Property Security Act search results dated September 20, 2021.

Subject to the foregoing, and the assumptions and qualifications set out at the end of this opinion, our opinion is as set out below.

(1) *Claims against the Property*

The Company is the registered owner of property comprised of three Property Identifier Numbers ("PINs"), and which hereinafter is cumulatively referred to as the "Property", as follows:

- (a) PCL 2451, SEC DPF; Summer Resort Location EB746 unsurveyed territory comprising parts of island 716 in the Tetu Lake area, District of Kenora, bearing PIN 42180-1922 (LT);
- (b) PCL 2451, SEC DPF; Summer Resort Location HL69 unsurveyed territory comprising PT Island 716 in the Tetu Lake in the Winnipeg River, District of Kenora, bearing PIN 42180-1923 (LT); and
- (c) PCL 2970, SEC DPF; Summer Resort Location EB1400 unsurveyed territory comprising PT Island 716 in the Tetu Lake of the Winnipeg River, S/T right to overflow and injuriously affect the aforesaid land with the waters of the lake of the woods, and the Winnipeg River up to a line which is distant 66 feet in perpendicular width, from elevation 1045 feet, Geodetic Survey of Canada, Datum 1923 Adjustment; District of Kenora, bearing PIN 42180-1924 (LT).

A copy of all three PINs are attached hereto.

A transfer in favour of the Company was registered on title to the Property on May 18, 2011, bearing registration No. KN40101, against all three PINs comprising the Property.

A charge in favour of BDC was registered against title to the Property on May 18, 2011, with the face value of \$1,000,000, bearing registration No. KN40102, against all three PINs comprising the Property. This registration is included in the BDC Mortgage as defined above.

A Notice in favour of the Provincial Land Tax Collector was also registered against title to the Property on November 17, 2021, bearing registration No. KN98742, against all three PINs comprising the Property. This registration is the Notice as defined above.

Upon my review of the BDC Mortgage, including its ancillary documents as defined above, the BDC Mortgage appears to be, in all respects, a legal, valid and binding obligation upon both BDC and the Company.

It is our opinion that the BDC Mortgage is a valid registered and enforceable interest against the Property.

The BDC Charge ranks first in priority in all financial respects, subject to any priority in favour of the Provincial Lax Tax Collector as per the Notice, and any priority that may exist for property tax arrears as set out in the Certificate (as may have been updated by Ministry of Finance).

(2) Claims registered under the P.P.S.A.:

Based upon our review of searches under the *Personal Property Security Act* (the "Act"), only BDC, the petitioning creditor, has registered financing change statement(s) under the Act as at September 20, 2021:

	Secured Party	Registration No.	Collateral Classification	Description
1.	Business Development Bank of Canada	20110518 1102 1046 0439	Inventory, Equipment, Accounts, Other	General Security Agreement dated May 2, 2011

I have reviewed the GSA, and also provide the opinion that it is a legal, valid and binding agreement upon both BDC and the Company. The GSA includes many standard terms in the banking industry which are enforceable, legal and binding, and consistent with commercial practice in the lending industry.

I provide no opinion on the quantum of the claim, however upon my review of the Bank's security documentation, including the Letter of Offer, the GSA which grants a security interest in all forms of personal property of the Company, and other ancillary documents as noted above, it our opinion that BDC's claim is a legal, valid and enforceable secured claim against any such remaining assets of the Company. BDC's

claim on this security also ranks first in priority, subject to any priority that may exist in favour of Canada Revenue Agency for tax amounts owing (as set out in the CRA Letter).

(3) Qualifications

The foregoing opinions are subject to the following assumptions and qualifications:

(a) Priority claims that may rank ahead of all Claims, such as any amounts owing under the *Income Tax Act*, the *Canada Pension Plan Act*, the *Employment Insurance Act*, the *Retail Sales Tax Act* or similar laws and any amendments thereto, and the fees of MNP, are to be paid ahead of the claim(s) of other creditors;

(b) The approved monetary amount of each proof of claim is subject to your review and assessment, as to whether the amounts are accurate and/or the funds claimed were actually provided to the Company, as no opinion is expressed on the accuracy of the amounts claimed;

(c) I have assumed the genuineness of all signatures (whether on originals or copies of documents), the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as notarial, certified, conformed, photostatic or telecopied copies thereof and the authenticity of the originals of such documents;

(d) I have assumed that each document is a legal, valid and binding obligation of, and is enforceable in accordance with its terms against each of the parties thereto;

(e) The enforceability of any document and the rights and remedies set out therein may be limited by general principles of equity and the obligation to act in a reasonable manner, and no opinion is given as to any specific remedy that may be granted, imposed or rendered (including equitable remedies such as those of specific performance and injunction);

(f) The enforcement of any document is subject to the discretion of a court of competent jurisdiction to impose restrictions on the rights of creditors to enforce immediate payment of amounts stated to be payable on demand;

(g) A court may not treat as conclusive those certificates and determinations which the documents state are to be so treated;

(h) A receiver or receiver and manager appointed pursuant to the provisions of any document may, for certain purposes, be treated by a court as being the agent of the secured party and not solely the agent of the debtor (and the

secured party may not be deemed to be acting as the agent and attorney of the debtor in making such appointment), notwithstanding any agreement to the contrary;

(i) The ability to recover or claim for certain costs or expenses may be subject to judicial discretion;

(j) Any requirement in any of the documents that interest be paid at a higher rate after than before default may not be enforceable;

(k) I have assumed the accuracy and currency of the indices and filing systems maintained at the public offices where we have conducted searches or made inquiries or caused such searches or inquiries to be conducted or made as set forth herein; and

(l) The opinions expressed herein relate to the laws of the Province of Ontario only and no opinions are expressed herein with respect to the laws of any other jurisdiction.

Please do not hesitate to contact me should you have questions or further instructions on the foregoing.

Sincerely,



Paul D'Angelo

/cm

Encls: PIN 42180-1922 (LT), PIN 42180-1923 (LT), and PIN 42180-1924 (LT).



Ontario

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #23

42180-1923 (LT)

PAGE 1 OF 1
PREPARED FOR MORIN123
ON 2021/09/21 AT 10:39:45

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 1541 SEG DPF, SUMMER RESORT LOCATION H169 UNSURVEYED TERRITORY FORMING PT ISLAND 716 IN TENU LAKE OF THE WINNIPEG RIVER, DISTRICT OF KENORA

PROPERTY REMARKS: CROWN GRANT SEE PA10390.

ESTATE/QUALIFIER:
FREE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
2192314 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
KN40101	2011/05/18	TRANS PARTNERSHIP	\$1,200,000	HENN, EDWARD W. HENN, KATHI L.	2192314 ONTARIO INC.	C
KN40102	2011/05/18	CHARGE	\$1,000,000	2192314 ONTARIO INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
KN98742	2020/11/17	NOTICE REMARKS: PROVINCIAL LAND TAX		PROVINCIAL LAND TAX COLLECTOR	2192314 ONTARIO INC	C
KN103449	2021/08/06	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	MNP LTD.	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



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LAND
REGISTRY
OFFICE #23

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 1

PREPARED FOR Morin123
ON 2021/09/21 AT 10:41:04

42180-1924 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION:

PCL 2970 SEC DPF: SUMMER RESORT LOCATION EB1400 UNSURVEYED TERRITORY COMPRISING PT ISLAND 716, IN TETU LAKE OF THE WINNIPEG RIVER, S/T RIGHT TO OVERFLOW AND INTURTIOUSLY AFFECT THE AFORESAID LAND WITH THE WATERS OF THE LAKE OF THE WOODS, AND THE WINNIPEG RIVER UP TO A LINE WHICH IS DISTANT 66 FEET IN PERPENDICULAR WIDTH, FROM ELEVATION 1045 FEET, GEODETIC SURVEY OF CANADA, DATUM 1923 ADJUSTMENT; DISTRICT OF KENORA

PROPERTY REMARKS:
CROWN GRANT SEE PA13557.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
2192314 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
KN40101	2011/05/18	TRANS PARTNERSHIP	\$1,200,000	HENN, EDWARD W. HENN, KATHI L.	2192314 ONTARIO INC.	C
KN40102	2011/05/18	CHARGE	\$1,000,000	2192314 ONTARIO INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
KN98742	2020/11/17	NOTICE REMARKS: PROVINCIAL LAND TAX		PROVINCIAL LAND TAX COLLECTOR	2192314 ONTARIO INC	C
KN103449	2021/08/06	AFL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	MNP LTD.	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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LAND
REGISTRY
OFFICE #23

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 1

PREPARED FOR Morin123

ON 2021/09/20 AT 15:41:42

42180-1922 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 2451 SEC DPF; SUMMER RESORT LOCATION EB746 UNSURVEYED TERRITORY COMPRISING PARTS OF ISLAND 716 IN TETU LAKE AREA; DISTRICT OF KENORA

PROPERTY REMARKS: CROWN GRANT SEE PA12289.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2005/07/25

OWNERS' NAMES
2192314 ONTARIO INC.

CAPACITY SHARE
CROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
KN40101	2011/05/18	TRANS PARTNERSHIP	\$1,200,000	HENN, EDWARD W. HENN, KATHI L.	2192314 ONTARIO INC.	C
KN40102	2011/05/18	CHARGE	\$1,000,000	2192314 ONTARIO INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
KN98742	2020/11/17	NOTICE REMARKS: PROVINCIAL LAND TAX		PROVINCIAL LAND TAX COLLECTOR	2192314 ONTARIO INC	C
KN103449	2021/08/06	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	MNP LTD.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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13



Ontario Search Results
ID 1913907
Search Type [BD] Business Debtor

Phone: (416) 225-5511

Liens : 1 Pages : 1

Searched :20SEP2021 01:12 PM
Printed :20SEP2021 01:10 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 09/20/2021
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 13:12:02
ACCOUNT : 009233-0001 FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 1
FILE CURRENCY : 19SEP 2021
SEARCH : BD : 2192314 ONTARIO INC

00 FILE NUMBER : 669966624 EXPIRY DATE : 18MAY 2033 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20110518 1102 1046 0439 REG TYP: P PPSA REG PERIOD: 22
02 IND DOB : IND NAME:
03 BUS NAME: 2192314 ONTARIO INC.

04 ADDRESS : P.O. BOX 1130 OCN :
CITY : KENORA PROV: ON POSTAL CODE: P9N 3X7
05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
BUSINESS DEVELOPMENT BANK OF CANADA

09 ADDRESS : 227 SECOND STREET SOUTH
CITY : KENORA PROV: ON POSTAL CODE: P9N 1G1
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X X
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 AS MORE PARTICULARLY SET OUT IN GENERAL SECURITY AGREEMENT DATED MAY
14 2, 2011.

15

16 AGENT: SHEWCHUK, MACDONELL, ORMISTON & RICHARDT

17 ADDRESS : 214 MAIN STREET SOUTH
CITY : KENORA PROV: ON POSTAL CODE: P9N 1T2

END OF REPORT

14



September 21, 2021

Mr. John Haralovich
MNP Ltd.
1600 Carling Ave. Suite 800
Ottawa, ON. K1Z 1G3

**Subject: Confirmation of Loan Balances—Loan Number 060628-01
2192314 Ontario Inc. and Edward W. Henn and Kathi L. Henn (the “debtor”)**

Mr. Haralovich:

As requested, Business Development Bank of Canada (“BDC”) has calculated the figures for the above-mentioned loan, as at September 21, 2021, to be:

	Loan 01
Principal	\$510,000.00
Interest up to and including September 20, 2021	\$37,601.85
Protective Disbursements	\$93,348.14
Interest on Protective Disbursements	\$1,445.38
Fees	\$1,245.00
Total	<u>\$643,640.37</u>
Current Per Diem (subject to change)	\$88.50
Current Interest rate – floating base +0.50%	<u>5.05%</u>

The breakdowns of Protective Disbursements are as follows:

Legal fees	\$13,353.01
Property Taxes-City of Thunder Bay	\$4,995.13
Receiver	\$75,000.00
Total	<u>\$93,348.14</u>

Any subsequently produced figures will render the contents herein null and void.

Yours truly,

Andrew Masse

Andrew Masse
Business Specialist, Special Accounts
T (604) 666-7880
E Andrew.Masse@bdc.ca

Adriane Grabarevic

Adriane Grabarevic
Analyst, Special Accounts

15

**MNP LTD., RECEIVER RE:
2192314 ONTARIO INC. O/A TETU ISLAND LODGE**

**INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD APRIL 21, 2021 TO SEPTEMBER 23, 2021**

	<u>Current</u>
Receipts:	
Advance from secured creditor	\$ 75,000
Interest	-
	<u>75,000</u>
Disbursements:	
Filing fee	73
License fee	275
Insurance	35,675
Air fare	500
HST paid	100
Appriasal fees and expenses	8,922
	<u>45,545</u>
Excess of Receipts over Disbursements	\$ <u>29,455</u>