

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy
and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the
Courts of Justice Act, RSO 1990, c C.43, as amended**

**MOTION RECORDED
Returnable July 6, 2022**

June 24, 2022

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Lawyers for the Court-Appointed Receiver, MNP Ltd.

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TAB 1

Notice of Motion returnable July 6, 2022

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

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**NOTICE OF MOTION
(Returnable July 6, 2022)**

MNP LTD., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of 2738283 Ontario Inc., 2738284 Ontario Inc., and 2738285 Ontario Inc. (collectively, the “**Debtors**”) will make a motion to a Judge presiding over the Commercial List on July 6, 2022, at 12:00 p.m. or as soon after that time as the motion can be heard by judicial teleconference via Zoom at Toronto, Ontario. The conference details will be provided by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) and served on the Service List in advance of the motion. Please advise if you intend to attend the motion via e-mail to Rachel Nicholson at rnicholson@tgf.ca.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

- In writing under subrule 37.12.1 (1) because it is (*insert one of* on consent, unopposed *or* made without notice);
- In writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- By video conference.

THIS MOTION IS FOR:

1. An Order, among other things:
 - (a) approving a distribution to Maria Louise Larsen with respect to her secured claim against the Debtors, upon the Receiver receiving a satisfactory payout statement;
 - (b) approving payment of certain Proven Claims filed with the Receiver pursuant to the Claims Process Order granted by the Court on March 10, 2022 (the “**Claims Process Order**”);
 - (c) approving the appointment of Megan Keenberg, C.S., Q. Arb., Q. Med, as Claims Officer (as defined in the Claims Process Order), if necessary, to adjudicate the Disputed Claims (as defined below);
 - (d) approving the Receiver’s Interim Statement of Receipts and Disbursements as of June 20, 2022;

- (e) approving an interim distribution to 7 Generations Development Group Ltd. (“**7 Generations**”) in respect of the equity proceeds available from the sale transaction previously approved by the Court, subject to applicable reserves described below;
- (f) approving the Second Report of the Receiver dated June 24, 2022 (the “**Second Report**”) and the actions of the Receiver described therein; and
- (g) approving the fees and disbursements of the Receiver and the Receiver’s counsel, Thornton Grout Finnigan LLP (“**TGF**”).

THE GROUNDS FOR THE MOTION are as follows:

Background

- 2. Any capitalized terms not otherwise defined have the meanings attributed to them in the Second Report.
- 3. By Order of the Court dated November 9, 2021 (the “**Appointment Order**”), MNP Ltd. was appointed Receiver of those assets, properties and undertakings of the Debtors listed in Schedule “A” to the Appointment Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C-43, as amended;
- 4. The Debtors are private Ontario corporations whose assets principally consist of vacant real property that the Debtors were in the process of developing for mixed industrial and residential use. The real properties owned by the Debtors consisted of the real property located at (i) 320 Mapleview Drive West, (ii) 366 Mapleview Drive West, (iii) 664 Essa

Road, and (iv) 674 Essa Road, each located in Barrie, Ontario (collectively, the “**Real Property**”);

5. Pursuant to an Order of the Court dated March 10, 2022 (the “**Approval and Vesting Order**”), the agreement of purchase and sale dated February 4, 2022 between the Receiver and 2771280 Ontario Inc. d/b/a Ark Capital Group, as subsequently assigned to Essa Rd Development Ltd., for the purchase of the Real Property was approved and the Receiver was authorized to complete the sale transaction contemplated thereby (the “**Transaction**”). The Transaction closed on March 24, 2022;
6. Pursuant to the Claims Process Order, the Receiver called for Claims against the Debtors and 7 Generations;

Proposed Distribution to Maria Larsen

7. Since the Approval and Vesting Order was granted, the Receiver conducted a thorough investigation of Maria Larsen’s secured claim that was asserted against the Real Property;
8. The Receiver is seeking the authority to distribute an amount to Maria Larsen in satisfaction in full of her secured claim against the Real Property (estimated to be in the amount of \$2.5 million plus applicable interest charges), subject to receiving a payout statement satisfactory to the Receiver in its sole discretion;

Proposed Distribution in satisfaction of Proven Claims

9. The Receiver is seeking the Court's approval to distribute payments in satisfaction of the Proven Claims against the Debtors and/or 7 Generations in respect of the Real Property, as described in more detail in the Second Report;
10. Certain Claims filed pursuant to the Claims Process Order have been disputed by Blake Larsen and 7 Generations (such Claims, the "**Disputed Claims**"). The Receiver has not yet made a determination in respect of the Disputed Claims. The Receiver is currently engaging in settlement discussions in respect of certain of the Disputed Claims;
11. The Receiver is seeking authority to pay any of the Disputed Claims to the extent that any Disputed Claim subsequently becomes a Proven Claim in accordance with the Claim Process Order;
12. The Receiver is seeking the appointment of Megan Keenberg, C.S., Q. Arb., Q. Med, of Van Kralingen & Keenberg LLP as its Claims Officer to adjudicate any Disputed Claims, if applicable;

Approval of Interim Statement of Receipts and Disbursements

13. The Receiver is seeking approval of its Interim Statement of Receipts and Disbursements as described in the Second Report;

Interim Distribution to 7 Generations

14. The Receiver is seeking approval of an interim distribution of equity proceeds in the amount of \$3,046,275 arising from the Transaction to 7 Generations in its capacity as the beneficial owner of the Real Property (prior to the Transaction), subject to (i) payment of the Proven Claims set out in the Second Report, (ii) accrued and outstanding professional fees; and (iii) reserves for (A) the full amount of the Disputed Claims, in the event that any of the Disputed Claims subsequently is determined to be a Proven Claim in accordance with the Claims Process Order (the “**Disputed Claims Reserve**”), and (B) payment of professional fees to be incurred in connection with the adjudication of the Disputed Claims (including in respect of fees of the Claims Officer, if applicable) and the final administration of the receivership proceeding (the “**Professional Fee Reserve**”);

15. To the extent that funds in the Disputed Claims Reserve (after determination or revision of, and subsequent payment to, the respective Disputed Claims) and Professional Fee Reserve become available for distribution, in the Receiver’s sole discretion, the Receiver intends to remit such amounts to 7 Generations;

Approval of fees and activities

16. The Receiver is seeking approval of the fees of the Receiver and TGF, and approval of the Second Report and the activities of the Receiver’s described therein; and

17. Such other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this application:

1. The Receiver's Second Report to the Court dated June 24, 2022, including all appendices attached thereto; and
2. Such further and other evidence as counsel may advise and this Honourable Court may permit.

June 24, 2022

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Lawyers for the Court-Appointed Receiver

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,
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**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and
Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the
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**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended,
and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

NOTICE OF MOTION

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Lawyers for the Court-Appointed Receiver, MNP Ltd.

TAB 2

Second Report of MNP Ltd. dated June 24, 2022

Court File No.: CV-21-00670723-00CL

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

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

BETWEEN

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**SECOND REPORT OF MNP LTD. AS RECEIVER OF THE ASSETS,
UNDERTAKINGS AND PROPERTIES OF 2738283 ONTARIO INC., 2738284
ONTARIO INC. AND 2738285 ONTARIO INC.**

JUNE 24, 2022

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Appendix “I”	<i>Globe and Mail</i> Advertisement
Appendix “J”	Fee Affidavit of Deborah Hornbostel sworn June 22, 2022
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Appendix “L”	Receiver’s Interim Statement of Receipts and Disbursements

INTRODUCTION

1. By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 9, 2021 (the “**Appointment Order**”), MNP Ltd. was appointed receiver (in such capacity, the “**Receiver**”), without security, of those assets, undertakings and properties of 2738283 Ontario Inc. (“**283**”), 2738284 Ontario Inc. (“**284**”) and 2738285 Ontario Inc. (“**285**” and collectively, with 283 and 284, the “**Debtors**”) described in Schedule “A” to the Appointment Order, pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act*. Attached hereto as **Appendix “A”** is a copy of the Appointment Order.
2. The Appointment Order was granted on an application commenced by PS Holdings 1 LLC, PS Holdings 2 LLC and PS Holdings 3 LLC (collectively “**PS Holdings**”) as the Debtors were in default of their secured obligations to PS Holdings.
3. The Debtors are private Ontario corporations all incorporated on January 21, 2020. They have the same registered head office in Mississauga, Ontario and the sole officer and director of each of the Debtors is Blake Larsen. The Debtors’ assets principally consisted of vacant real property acquired by the Debtors from PS Holdings on May 13, 2020 (the “**Real Property**”) that the Debtors were in the process of developing for mixed industrial and residential use. The Debtors did not employ any employees.
4. The Real Property owned by the Debtors at the time of the Appointment Order are listed in the chart below:

Debtor	Property Address	Description of Real Property
283	320 Mapleview Drive West, Barrie, Ontario; and 366 Mapleview Drive West, Barrie, Ontario	5.435 acres, Light Industrial 0.724 acres, General Commercial
284	664 Essa Road, Barrie, Ontario	6.730 acres, Light Industrial
285	674 Essa Road, Barrie, Ontario	12.509 acres, Light Industrial

5. The Debtors and 7 Generations Development Group Limited (“**7 Generations**” or the “**Beneficial Owner**”) entered into a Management/Service Agreement dated May 13, 2020

(the “**Management Agreement**”). Pursuant to the Management Agreement, among other things, 7 Generations was authorized to act as agent on behalf of the Debtors to engage services and contractors in respect of the development of the Real Property. Blake Larsen is the principal of 7 Generations. A copy of the Management Agreement is attached hereto as **Appendix “B”**.

6. On March 7, 2022, the Receiver issued its Amended First Report of the Receiver dated March 3, 2022 (the “**First Report**”), a copy of which is attached hereto (without appendices) as **Appendix “C”**, in support of its motion heard on March 10, 2022 (the “**Sale Motion**”) with respect to obtaining:
 - (a) An Order (the “**Approval and Vesting Order**”), among other things:
 - (i) approving the agreement of purchase and sale between the Receiver, as vendor, and 2771280 Ontario Inc. d/b/a Ark Capital Group as subsequently assigned to Essa Rd Development Ltd. (the “**Purchaser**”), as purchaser, dated February 4, 2022 (the “**Purchase Agreement**”), and authorizing the Receiver to complete the transaction contemplated thereby (the “**Transaction**”);
 - (ii) with respect to the completion of the Transaction, vesting in the Purchaser, the Debtors’ right, title and interest in and to the Real Property, free and clear of any claims and encumbrances;
 - (iii) sealing the Confidential Appendices to the First Report until completion of the Transaction and further order of this Court;
 - (iv) approving distributions to the Secured Creditors (as defined below) upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion;
 - (v) approving the Receiver’s Interim Statement of Receipts and Disbursements as at February 28, 2022;

- (vi) approving the First Report and the actions of the Receiver described therein, including, without limitation, the Sale Process (as defined within the First Report);
 - (vii) approving the fees and disbursements of the Receiver and the Receiver's counsel; and
- (b) An Order (the "**Claims Process Order**"), *inter alia*, approving and authorizing the Receiver to conduct a claims process (the "**Claims Process**") to call for, assess and determine claims against the Debtors and 7 Generations in relation to the Real Property and authorizing, directing, and empowering the Receiver to administer the Claims Process in accordance with the terms of the proposed Claims Process Order.

7. On March 10, 2022, the Court issued the Approval and Vesting Order and the Claims Process Order, copies of which are attached as **Appendix "D"** and **Appendix "E"**, respectively. The Transaction closed on March 24, 2022.

8. The Application Record, related motion records and Court Orders, along with all other publicly available information in these proceedings, have been posted to the Receiver's website (the "**Receiver's Website**"), accessible at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al>.

PURPOSE OF THIS REPORT

9. The purpose of this second report of the Receiver (the "**Second Report**") is to:
- (a) report on the Receiver's activities since the issuance of the First Report;
 - (b) provide this Court with the evidentiary basis to make an order, among other things:
 - (i) approving a distribution to Maria Larsen with respect to her secured claim against the Debtors;

- (ii) approving payment of certain Proven Claims (as defined in the Claims Process Order) filed with the Receiver pursuant to the Claims Process Order;
 - (iii) approving the appointment of Megan Keenberg, C.S., Q. Arb., Q. Med, as Claims Officer (as defined in the Claims Process Order), if necessary, to adjudicate the Disputed Claims (as defined below);
 - (iv) approving the Receiver’s Interim Statement of Receipts and Disbursements as at June 20, 2022 (the “**Interim SRD**”);
 - (v) approving an interim distribution to 7 Generations in respect of the equity proceeds of the Transaction, subject to applicable reserves described below;
 - (vi) approving the Second Report and the actions of the Receiver described herein; and
 - (vii) approving the fees and disbursements of the Receiver and the Receiver’s counsel, Thornton Grout Finnigan LLP (“**TGF**”); and
- (c) the Receiver recommendations with respect to the foregoing.

TERMS OF REFERENCE

10. In preparing this Second Report, the Receiver has relied on unaudited financial and other information regarding the Debtors, 7 Generations and the Real Property provided to it, including information (collectively the “**Information**”):
- (a) provided by Blake Larsen;
 - (b) provided by the unsecured creditor claimants (the “**Claimants**”)
 - (c) provided by Canada Revenue Agency (“**CRA**”);
 - (d) provided by Maria Larsen and her counsel; and

(e) as otherwise available to the Receiver and its counsel.

11. Except as described in this Second Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
12. All currency references are in Canadian Dollars unless otherwise specified.

ACTIVITIES OF THE RECEIVER SINCE THE FIRST REPORT

Closing of the Transaction

13. Shortly after the date of the Approval and Vesting Order, the Receiver became aware of a Bare Trust Agreement dated May 13, 2020 (the “**Bare Trust Agreement**”) between the Debtors and 7 Generations. The Bare Trust Agreement provides that the Debtors agreed to hold the Real Property in trust as bare trustee for the beneficial interest of 7 Generations, as beneficial owner. The Bare Trust Agreement had been executed by Blake Larsen on behalf of all parties thereto. A copy of the Bare Trust Agreement is attached hereto as **Appendix “F”**.
14. Blake Larsen’s failure to previously disclose the existence of the Bare Trust Agreement to the Receiver necessitated changes to the Transaction closing documents, including the execution of a Beneficial Transfer by 7 Generations wherein it, among other things, acknowledged and agreed that notwithstanding the Bare Trust Agreement, 7 Generations’ beneficial interest in the Real Property was intended to be conveyed to the Purchaser pursuant to the Purchase Agreement and the Approval and Vesting Order. As detailed below, the existence of the Bare Trust Agreement also results in 7 Generations, and not the Receiver, being required to report the net proceeds realized from the Transaction to CRA as part of its corporate tax filing.
15. On March 17, 2022, at the request of the Purchaser, the Receiver entered into an amendment to the Purchase Agreement to extend the closing date under the Purchase Agreement. In consideration of the closing delay, the Purchaser paid an additional \$14,520 to compensate

the Receiver for additional interest on the charges against the Real Property and operating costs, plus an extension fee. On March 24, 2022, the Transaction closed and total sale proceeds received by the Receiver under the Transaction were \$29,224,520.

16. Upon closing of the Transaction, the Receiver arranged for the cancellation of the insurance policies and utility accounts in respect of the Real Property and repaid its borrowings to 683728 Ontario Ltd.

SECURED CREDITORS

17. As part of the First Report, the Receiver detailed its investigation in respect of the secured charges on the Real Property and the claimed indebtedness of the various secured creditors (collectively, the “**Secured Creditors**”). The Approval and Vesting Order approved certain distributions to the Secured Creditors upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion.
18. Since the Approval and Vesting Order was granted and the Transaction closed, the Receiver paid the claims of the Secured Creditors (with the exception of Maria Larsen, as discussed further in this Second Report) in the total aggregate amount of \$18,144,363.21 (which, in some cases, reflected adjustments to include, among other things, additional interest accruing subsequent to the date of the Approval and Vesting Order). The Receiver also satisfied payment of the outstanding municipal taxes on the Real Property.
19. At the time of writing the First Report, the amounts that remained in dispute or requiring further support were (i) \$32,000 claimed by RPN Finance Corp. and 1938272 Ontario Inc. (collectively “**RPN**”) and (ii) \$243,856 claimed by Maria Larsen. The following provides an update on those disputed claims.

RPN

20. As noted above, the Receiver requested additional information to support \$32,000 reflected on the payout statement provided to it by RPN, including a \$14,000 “term bonus” and a \$18,000 renewal fee. RPN subsequently provided the documentation in support of the amounts claimed

that permitted the Receiver to fully confirm and satisfy RPN's secured claim against the Real Property.

Maria Larsen Security

21. As detailed in the First Report, the Receiver reported that Maria Larsen had registered a charge against the Real Property in the amount of \$2.5 million (the "**Larsen Charge**") and that Maria Larsen advised the Receiver that \$243,856 was outstanding under the Larsen Charge. The Receiver had yet to obtain sufficient documentation from Maria Larsen to support the Larsen Charge or a discharge statement, but did obtain relief in the Approval and Vesting Order to distribute amounts to Maria Larsen in satisfaction of the Larsen Charge, once a satisfactory payout statement was received.
22. Subsequent to the granting of the Approval and Vesting Order, Blake Larsen, on behalf of Maria Larsen, advised the Receiver that the total advances owing under the Larsen Charge were \$2,543,856 (which is more than the amounts previously reported by the Receiver to the Court in the First Report). Further, the Receiver, TGF and TGF's real estate counsel, Wildeboer Dellelce LLP ("**Wildeboer**"), requested and obtained from Maria Larsen and her counsel further evidence to support the advances made to the Debtors under a syndicated loan facility.
23. Upon receiving this information, TGF and Wildeboer undertook a thorough review of the various advances, flow of funds and the related security documentation. After review of all documentation provided by Ms. Larsen and her counsel, Wildeboer issued a letter to the Receiver dated May 30, 2022, which summarized its findings, a copy of which is attached hereto as **Appendix "G"**. Wildeboer concluded that, subject to certain inconsistencies within the documents, the documents appear to reflect an unsecured loan or equitable mortgage supported by future security that was subsequently granted.
24. Given the significant difference in the amount previously reported to the Court and the amount actually claimed by Maria Larsen under the Larsen Charge, the Receiver was not prepared to issue a distribution to Maria Larsen without a further report to the Court. The Receiver notes that it is still awaiting a payout statement with respect to the outstanding balance owed to Maria Larsen, but is prepared to recommend a distribution to Maria Larsen in the amount of \$2.5

million plus applicable interest charges, subject to receiving a payout statement satisfactory to the Receiver in its sole discretion.

CLAIMS PROCESS

25. Unless otherwise defined in this section, capitalized terms shall have the meaning ascribed to them pursuant to the Claims Process Order.
26. In accordance with the Claims Process Order, the Receiver:
 - (a) on March 15, 2022, mailed a copy of the Claims Package to all known creditors of the Debtors and 7 Generations with respect to the Real Property. A copy of the affidavit of mailing is attached hereto as **Appendix “H”**;
 - (b) published its Notice to Claimants in the *Globe and Mail* newspaper on March 16, 2022. A copy of that published notice is attached hereto as **Appendix “I”**;
 - (c) on March 14, 2022, posted a copy of the Claims Process Order and the Claims Package on the Receiver’s Website; and
 - (d) promptly responded to all inquiries relating to the Claims Process.
27. By the Claims Bar Date of 5:00 p.m. on April 29, 2022, the Receiver had received Claims from fifteen (15) Claimants, including a Claim filed by Ms. Larsen in an abundance of caution in case her secured claim was denied. One Claim has since been withdrawn by the applicable Claimant.
28. As authorized by the Claims Process Order, the Receiver entered into a Non-Disclosure Agreement with Blake Larsen and provided him, shortly after the Claims Bar Date, with copies of all Proofs of Claims received and also consulted with Blake Larsen and his counsel in respect of certain Proofs of Claims. In accordance with the Claims Process Order, prior to accepting a Claim in excess of \$20,000, the Receiver is required to provide a copy of the respective Proof of Claim to Blake Larsen, who is then entitled to issue a written objection to the Receiver’s acceptance of the claim, which objection is required to be delivered to the Receiver by no later than fourteen (14) calendar days after receipt of the

Proof of Claim by Blake Larsen. If Blake Larsen does not object to the Claim by such date, the Receiver is authorized to proceed with its acceptance of the Claim.

29. Several of the Claims filed by Claimants were based on verbal agreements, and accordingly, these Claimants were unable to furnish the Receiver with definitive evidence of their Claims. This complicated the determination of those Claims, necessitating the Receiver and its counsel to spend additional time engaging in discussions with 7 Generations and Blake Larsen and their counsel, Tony Guergis (the Debtor’s former Director of Planning) and the applicable Claimants. In evaluating the Claims, the Receiver also considered the accounts payable listing previously provided to it by 7 Generations.
30. After carrying out the foregoing review and investigations, the Receiver recommends the approval by the Court for payment of the following Proven Claims, all of which are agreed by Blake Larsen:

Claimant		
2603011 Ontario Inc.	\$	50,850.00
Barriston Law		22,765.35 Note 1
BMG Glass & Aluminum Inc.		13,373.55
Colliers Strategy and Consulting Inc.		60,992.87
John DaRe Barrister and Solicitor		164,650.21
MNP LLP		6,830.79
Royal LePage First Contact Realty (Todd Guergis)		19,775.00
Tatham Engineering Limited		192,467.75 Note 1
WSP Canada Inc.		7,107.04
Zeidler Architecture Inc.		16,159.01
	<u>\$</u>	<u>554,971.57</u>

Note 1: Claims will be subject to additional interest charges to date of payment

31. The Receiver has not made a determination in respect of the following Claims, each of which is disputed by Blake Larsen (collectively, the “**Disputed Claims**”):

Homestore Direct Inc. o/a Rockwood Kitchens	\$	72,991.49
Morris Group Financial, Inc.		633,750.00
Tony Guergis		2,599,000.00
	<u>\$</u>	<u>3,305,741.49</u>

32. The Receiver is continuing its review of the Disputed Claims and is engaging in efforts to attempt to resolve them. With respect to each of the Disputed Claims, the Receiver notes the following:
- (a) **Homestore Direct Inc. o/a Rockwood Kitchens** – The Claimant does not have a written contract governing its provision of goods and services relating to its Claim. Settlement discussions in respect of this Disputed Claim are ongoing. In the event that a settlement is not reached, the Receiver intends to issue a Notice of Revision or Disallowance in respect of this Disputed Claim;
 - (b) **Morris Group Financial Inc. (“Morris”)** – Prior to the commencement of the receivership, Morris had issued a statement of claim for breach of contract and liquidated damages in the amount of \$633,750 against the Debtors, Blake Larsen and other entities related to Mr. Larsen. A statement of defense had also been issued. Mr. Larsen disputes any amount owing. Blake Larsen’s counsel recently provided the Receiver and its counsel with additional information relating to this matter, which it continues to review; and
 - (c) **Tony Guergis** – The Claimant has asserted a Claim for amounts owing for consulting services rendered, however, has not produced sufficient documentation to support the full amount of the Claim. Settlement discussions in respect of this Disputed Claim are ongoing. In the event that a settlement is not reached, the Receiver intends to issue a Notice of Revision or Disallowance in respect of this Disputed Claim.
33. The Receiver is also seeking authority to pay any of the Disputed Claims to the extent that any Disputed Claim subsequently becomes a Proven Claim in accordance with the Claim Process Order.
34. The Receiver has selected Megan Keenberg, C.S., Q. Arb., Q. Med, of Van Kralingen & Keenberg LLP as its Claims Officer. Ms. Keenberg has several years of commercial litigation experience and is a qualified arbitrator and mediator. Further details on her experience can be found at <http://vklaw.ca/profiles/#megan>. Ms. Keenberg acts as co-

counsel to TGF in respect of a separate ongoing litigation matter. Subject to any of the Claimants identified above objecting to the appointment of Ms. Keenberg, the Receiver intends to engage Ms. Keenberg to adjudicate the remaining Claims, as needed.

Canada Revenue Agency

35. In the First Report, prior to learning of the Bare Trust Agreement, the Receiver reported that the completion of the Transaction will likely result in taxable income to the Debtors for the 2022 fiscal year, which would represent an additional unsecured claim. The Claims Process Order excluded any assessment arising from the filing of the corporate tax returns filed with CRA in relation to the disposition of the Real Property.
36. Given the existence of the Bare Trust Agreement and further to the Receiver's discussions with Blake Larsen, it was agreed by the parties that reporting the Transaction for tax purposes is properly done by and is the responsibility of 7 Generations rather than the Debtors.
37. The Receiver filed the Debtors' outstanding corporate tax returns for the years ending December 31, 2020 and December 31, 2021, each of which has been assessed a Nil balance.
38. Furthermore, as a result of the Bare Trust Agreement, it was also agreed with Blake Larsen that all harmonized sales taxes ("HST") on expenses shall be claimed by 7 Generations and that all HST collected during the receivership will be remitted by the Receiver to CRA. The Debtors are annual HST filers and the total HST collections of \$958.38 will be remitted in due course by the Receiver.

FEES AND DISBURSEMENTS

39. Attached hereto as **Appendix "J"** is the Fee Affidavit of Deborah Hornbostel, sworn June 22, 2022, which attaches a copy of the Receiver's accounts pertaining to the receivership for the period February 23, 2022 to and including June 17, 2022.¹ In total, the Receiver

¹ The Receiver's fees and expenses for the period prior to February 23, 2022 were approved pursuant to the Approval and Vesting Order.

charged professional fees during this period in the amount of \$144,724, plus HST in the amount of \$18,816.46. This represents a total of 237.9 hours at an average rate of \$608.42 per hour.

40. Attached hereto as **Appendix “K”** is the Fee Affidavit of Robert Thornton, sworn June 22, 2022, which attaches a copy of the accounts of TGF, which reflects the services provided to the Receiver for the period March 1, 2022 to and including June 17, 2022² in the amount of \$100,622.50 plus disbursements of \$36,118.71 and HST in the amount of \$17,733.73 for a total of \$154,474.94. The disbursements include an invoice provided to TGF from Wildeboer, its real estate counsel, in the amount of \$34,962.86.
41. The Receiver has reviewed the accounts of TGF and given the Receiver’s involvement in this matter, the Receiver is of the opinion that all the work set out in TGF’s accounts was carried out and was necessary. The hourly rates of the lawyers and clerks at TGF who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers and clerks with the appropriate levels of experience.

RECEIVER’S STATEMENT OF RECEIPTS AND DISBURSEMENTS

42. Attached hereto as **Appendix “L”** is a copy of the Interim SRD indicating net receipts of \$10,160,400.82. The Receiver is seeking approval of the Interim SRD.

INTERIM DISTRIBUTION TO BENEFICIAL OWNER

43. As noted above, the Receiver has determined that there are funds available for the equity participants.
44. Pursuant to the Bare Trust Agreement, 7 Generations is the Beneficial Owner of the Real Property and the Debtors held the Real Property for the Beneficial Owner without any obligations, except to convey title to the Real Property upon demand to the Beneficial Owner or to a third party. The Debtors, as bare trustees, simply held legal title to the Real Property. The Bare Trust Agreement provides that the Debtors, as trustees, declare that all

² TGF’s fees and expenses for the period prior to March 1, 2022 were approved pursuant to the Approval and Vesting Order.

of the income and proceeds derived from the Real Property or any part thereof shall be held in trust by them for the Beneficial Owner. All expenditures incurred in respect of the Real Property shall be borne entirely by the Beneficial Owner.³

45. Accordingly, it is the Receiver’s position that the equity proceeds of the Transaction be remitted to 7 Generations in its capacity as the Beneficial Owner, subject to (i) payment of the Proven Claims set out in paragraph 30 of this Second Report, (ii) accrued and outstanding professional fees; and (iii) reserves for (A) the full amount of the Disputed Claims, in the event that any of the Disputed Claims subsequently is determined to be a Proven Claim in accordance with the Claims Process Order (the “**Disputed Claims Reserve**”), and (B) payment of professional fees to be incurred in connection with the adjudication of the Disputed Claims (including in respect of fees of the Claims Officer, if applicable) and the final administration of the receivership proceeding (the “**Professional Fee Reserve**”), which such Professional Fee Reserve is based on a conservative estimate of all potential fees that may be incurred until the discharge of the Receiver. The excess funds currently available for distribution to 7 Generations in respect of its equity interest in the Real Property is defined herein as the “**Excess Funds**”.

46. The following table summarizes the Receiver’s calculation of the Excess Funds:

Funds on Hand	\$ 10,160,400
Fund Reservations:	
Disputed Claims Reserve	\$ 3,305,741
Maria Larsen secured claim (estimated payout)	2,615,000
Professional Fee Reserve	500,000
Proven Claims to date	554,972
Outstanding balance payable on professional fees to June 17, 2022	132,412
Approximate Additional Interest	6,000
	7,114,125
Excess Funds	\$ 3,046,275

³ The Receiver notes that the Management Agreement provides that the Debtors and 7 Generations, which are collectively defined as the “Owners” therein, are entitled to an equal share of the lands absent an agreement to the contrary. Given the terms of the Bare Trust Agreement, the best view is that 7 Generations is entitled to any equity proceeds as a result of the sale of the Real Property.

47. To the extent that funds in the Disputed Claims Reserve (after determination or revision of, and subsequent payment to, the respective Disputed Claims) and Professional Fee Reserve become available for distribution, in the Receiver's sole discretion, the Receiver intends to remit such amounts to 7 Generations.
48. The Receiver, as the legal representative of the Debtors, would typically require a clearance certificate or comfort letter from CRA before distributing assets. Given the existence of the Bare Trust Agreement, more particularly that the proceeds derived from the Real Property is held in trust by the Debtors' for the Beneficial Owner, it is the Receiver's view that a clearance or comfort letter is not required in order for funds to be distributed to 7 Generations. The Receiver intends on serving CRA, via the Department of Justice, with notice of its motion.
49. Given the foregoing, the Receiver recommends an interim distribution to 7 Generation in the amount of the Excess Funds.

RECOMMENDATION

50. For the reasons discussed in this Second Report, the Receiver recommends that the Court grant an Order approving (i) the Receiver's proposed interim distributions, subject to the applicable reserves established, (ii) the appointment of Ms. Keenberg as Claims Officer; (iii) the Interim SRD; (iv) the fees and disbursements of the Receiver and its counsel, TGF, and (v) the Second Report and the activities described herein.

The Receiver respectfully submits to the Court this Second Report dated June 24th, 2022.

**MNP Ltd, in its capacity as the
Court-appointed Receiver of
2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.,
and not in its personal or corporate capacity**

Per:  _____

Sheldon Title CPA, CA, CIRP, LIT

Senior Vice President

APPENDIX "A"

APPENDIX "A"

Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) TUESDAY, THE 9th
)
JUSTICE PENNY) DAY OF NOVEMBER, 2021
)

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy
and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the
Courts of Justice Act, RSO 1990, c C.43, as amended**

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the applicants, PS Holdings 1 LLC, PS Holdings 2 LLC and PS Holdings 3 LLC (collectively, the “**Applicants**”), 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. (“**MNP**”) as receiver (in such capacity, the “**Receiver**”) without security, of the real and personal property, rights and claims of the respondents, 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. (the “**Debtors**”) described in Schedule “A” to the Receivership Order, including all proceeds thereof (collectively, the “**Property**”), was heard this day by videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Paul Sadlon Jr. sworn October 18, 2021 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, the Debtors, SvN Architects + Planners Inc. and the proposed Receiver, and John DaRe appearing for himself, no one else appearing although duly served as appears from the affidavits of service and other proof of service, filed, and on reading the consent of MNP to act as the Receiver,

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 is hereby appointed Receiver, without security, of the Property.

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 Debtors, 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 Debtors;
- (d) to engage consultants, appraisers, agents, listing agents and brokers, 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 Debtors or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by any of the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, 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 Debtors, 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 by:
 - (i) obtaining three (3) listing proposals from listing agents or brokers experienced in selling property similar to the Property in the same market as the Property;
 - (ii) engaging the listing agent or broker that the Receiver in its discretion deems has submitted the best listing proposal to advertise and solicit offers in respect of the Property or any part or parts thereof (the "**Realtor**");

- (iii) entering into a listing agreement with the Realtor;
 - (iv) establishing in consultation with the Realtor such terms and conditions of sale as the Receiver in its discretion may deem appropriate, including listing price, marketing strategy and deadline for offers, if 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, provided that the aggregate consideration for all such transactions does not exceed \$100,000; 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;
- (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 Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other

persons acting on their 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 Debtors, 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.

NO PROCEEDINGS AGAINST THE RECEIVER

7. 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

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtors, 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 Debtors to carry on

any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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

10. 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 any of the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Debtors' 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 Debtors 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.

12. THIS COURT ORDERS that, without limiting the generality of the foregoing, no insurer providing insurance to the Debtors or their directors or officers shall terminate or fail to renew such insurance on the existing terms thereof provided that such insurer is paid any premiums, as would be paid in the normal course, in connection with the continuation or renewal of such insurance at current prices, subject to reasonable annual increases in the ordinary course with respect to such premiums.

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 Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors’ 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 Debtors, 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 unless otherwise ordered by the Court on the passing of accounts, 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 Commercial List 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 standard 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 \$500,000 (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 "B" 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 '<https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>') 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: 'www.mnpdebt.ca/2738283-ontario-inc-et-al'.

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 forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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 any of the Debtors.

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 Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a full indemnity basis to be paid by the Receiver from the Debtors' estates 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.

33. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.



A handwritten signature in blue ink, appearing to read "Peng J.", is written above a horizontal line.

SCHEDULE "A"

DESCRIPTION OF PROPERTY

"Property" means all of the present and future legal and beneficial right, title, estate and interest in and to:

- (a) the real property municipally known as 320 Mapleview Drive West, Barrie, Ontario and legally described as PT LT 4 CON 12 INNISFIL AS IN RO1071059 EXCEPT PT 62 PL 51R24730, PTS 1 TO 5 INCL. PL 51R31988 & PTS 2 TO 4 INCL. PL 51R34959, S/T RO1272147; BARRIE, being all of PIN 58730-0303 (LT);
- (b) the real property municipally known as 692 Essa Road, Barrie, Ontario and legally described as CONSOLIDATION OF VARIOUS PROPERTIES PT LT 3 CON 12 INNISFIL BEING PT 1 PL 51R32435 & PT LTS 3 & 4 CON 12 INNISFIL BEING PTS 1 & 2 PL 51R25124, EXCEPT PT 1 PL 51R33177, S/T RO990763; INNISFIL, being all of PIN 58730-0304 (LT);
- (c) the real property municipally known as 664 Essa Road, Barrie, Ontario and legally described as PT LT 4 CON 12 INNISFIL AS IN RO1278789 EXCEPT PT 6 PL 51R31988; BARRIE, being all of PIN 58730-0240 (LT); and
- (d) the real property municipally known as 674 Essa Road, Barrie, Ontario and legally described as PT LT 4 CON 12 INNISFIL AS IN RO1244213 EXCEPT PT 61 51R24730 AND PT 251R33177; S/T RO1272150; BARRIE, being all of PIN 58730-0297 (LT),

together with all buildings, structures, fixtures and improvements of any nature or kind now or hereafter located in, on or under such lands, and all equipment, leases, rents and all other appurtenances thereto, and including all interests, appurtenant or otherwise, held now or in the future by the Debtors in lands adjacent to or used in connection with such lands and premises or in which the Debtors now or in the future have any interest or to which the Debtors are now or may in the future become entitled.

Without limiting the foregoing, “**Property**” also includes all of the following real and personal property, rights and claims and in each case, both present and after acquired: (i) all material agreements, permits and approvals relating to such Property or its development, management or operation; (ii) all expropriation proceeds relating to such Property; (iii) all insurance proceeds and any unearned insurance premiums relating to such Property; (iv) all surveys, drawings, designs, reports, studies, environmental site assessments, tests, plans and specifications relating to such Property; and (v) all renewals, substitutions, improvements, accessions, attachments, additions, replacements and proceeds to, of or from each of the foregoing components of the Property or any part thereof and all conversions of such Property or the security constituted thereby.

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP, the receiver (the "**Receiver**") of the real and personal property, rights and claims of the respondents, 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. (the "**Debtors**") described in Schedule "A" to this Receivership Order and including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of November 2021 (the "**Order**") made in an application having Court file number __-CL-_____, 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 and compounded [**daily**][**monthly not in advance on the _____ day of each month**] 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 Toronto, 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__.

MNP, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

PS HOLDINGS 1 LLC et al.

-and- 2738283 ONTARIO INC. et al.

Applicant

Respondents
Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**Proceeding commenced at
Toronto**

**ORDER
(Appointing Receiver)**

FASKEN MARTINEAU DuMOULIN LLP

Barristers and Solicitors
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Tel: 416 865 4445
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Lawyers for the applicants

APPENDIX "B"

MANAGEMENT/SERVICE AGREEMENT

THIS AGREEMENT made this 13th day of May, 2020.

B E T W E E N:

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

(Hereinafter collectively referred to as the "Owners")

OF THE FIRST PART;

- and -

7 GENERATIONS DEVELOPMENT GROUP LIMITED

(Hereinafter referred to as the "Manager")

OF THE SECOND PART.

WHEREAS

The parties hereto have agreed to form and constitute a joint development relationship for the purpose hereinafter set out and described on and subject to the terms hereinafter set forth.

AND WHEREAS

The Owners are the registered and legal owners of those properties as follows;

- (a) 320 and 360 Mapleview Drive, West, Barrie, Ontario – Registered Owner 2738283 Ontario Inc.
- (b) 664 Essa Road, Barrie, Ontario – Registered Owner – 2738284 Ontario Inc.
- (c) 674 Essa Road, Barrie, Ontario – Registered Owner – 2738285 Ontario Inc.

AND WHEREAS

The Owners, on behalf of their shareholders, are holding the lands referenced above for the sole intent and purpose of developing the said lands or any portion thereof to permit for the development of a mixed use residential and commercial use ("The Joint Venture Project").

AND WHEREAS

The Manager has agreed to and with the Owners to assume control of the Joint Venture Project for development and construction purposes, subject to the terms hereunder.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the premises and of the covenants and agreements contained herein, the parties hereto, for themselves, their heirs, executors, administrators, successors and assigns, covenant and agree to and with each other as follows:

ARTICLE I

MANAGEMENT

Section 1.01 - Formation

The Owners do hereby form and constitute themselves as Owners (sometimes referred to as "Members" herein) pursuant to a Joint Venture for the purpose hereinafter set forth and agree

that the affairs of the Joint Venture (also referred to as "Joint Venture project" herunder) shall be conducted in accordance with the provisions of this Agreement. Nothing herein contained shall be deemed or construed so as to make any of the parties hereto partners with one another.

The Owners do hereby appoint, constitute and authorize the Manager, 7 Generations Development Group Limited, with the power to bind the Owners, as the Manager of the Joint Venture Project as is more particularly stipulated hereunder and specifically in accordance with Article IV herein.

Section 1.02 - Purpose and Scope

The purpose, of the Joint Venture is to complete the transaction of Purchase and Sale provided for in the Purchase Agreement, if not already done so at the time this Agreement is executed and to develop and construct a residential/commercial campus thereon upon the Lands for sale which purpose is herein and called the "Joint Venture Project" under the Joint Venture name of "**Maxx Condos**" or such other name as may from time to time be agreed upon by the Joint Venture Owners. The Joint Venture Project shall be limited strictly to the purpose hereinbefore set out and to the Joint Venture Lands hereinbefore described.

Section 1.03 - Ownership of the Lands

Each of the Joint Venture Owners shall hold those Lands as specified in the preambles above for the benefit of the purpose of the Joint Venture.

Without limiting the generality of the foregoing, any assets, both real and personal, or mixed, including, without limitation, any moneys, shares, bonds, debentures, stocks, or other securities payable to, issued to or coming into the hands of the Joint Venture or belonging to the Joint Venture shall be deposited, taken or acquired in the name of the Joint Venture or in the names of the Owners of the Joint Venture as tenants in common as to their respective undivided interests. The Parties agree to apportion their respective rights and interests in the Lands from time to time and in the absence of which it is agreed between the Owners that they shall each be entitled to an equal share of the Lands, other Joint Venture Property and shall furthermore equally share in the obligations, debts and undertakings in respect of the Lands and their development equally, *pari passu*.

Section 1.04 - Apportionment of Profits and Losses

(a) Except as hereinafter otherwise specifically provided, all net profits derived from the ownership, operation, development or sale of the Joint Venture Lands shall be apportioned in accordance with the respective proportionate interests of each Joint Venture participant as proportionate per Article I, Section 1.03 herein.

(b) Except as otherwise provided for herein, all expenditures or losses incurred in connection with the ownership, operation, development or sale of the Joint Venture Lands shall be borne by the Owners of the Joint Venture project, on an equal basis, unless a different proportionate ownership interest is determined by agreement of all parties.

Section 1.05 - Management of Joint Venture

The Owners hereby retain the President of each respective Corporation to act as the General Manager of the Joint Venture Project and all matters relating thereto. In the event the President of the Owners is one and the same person, that individual shall act in the position of Manager alone.

For the purpose of this Agreement, all duly constituted meeting of the Management Committee shall be deemed to be a duly constituted meeting of the Manager and vice versa, and, any resolution duly passed by the Board of Directors of the Owners shall be deemed to be a resolution duly passed by the Management Committee of the Manager.

ARTICLE II

THE FINANCING

Section 2.01 - Monies Required

All monies which may, at any time or from time to time, be reasonably required for the completion of the purchase of any Joint Venture Lands, including deposit monies in connection therewith and closing costs, and all monies required for the construction upon the Joint Venture Lands of buildings and other improvements, and required for the proper maintenance of the Joint Venture Lands including, without limitation, all payments on account of realty and other taxes, regular mortgage principal instalments and interest charges payable with respect to or in connection with the Joint Venture Lands and the improvements thereon, and all monies required for the development of the Joint Venture Lands pursuant to the Joint Venture Project and for the payment of all debts, obligations and liabilities in connection therewith including the payments required to discharge the mortgages that encumber the Joint Venture Lands shall be advanced to the Joint Venture, as a loan thereto, by the Owners, or either one of them, although such disproportional advance shall be guaranteed by each Owner, jointly and severally, *pari passu*.

Section 2.02 - Loans Advanced

Any loans made to the Joint Venture by the Owners, to the extent to which they have been advanced by the Owners in the respective proportions set out in Section 1.03 hereof, shall bear no interest unless and until the Owners agree to the contrary, in which case such loans shall bear such rate of interest as is from time to time agreed upon. Except in accordance with the provisions of this Agreement, none of the loans shall be due or payable to or called by any of the Owners of the Joint Venture.

Section 2.03 - Disproportionate Loans

For the purposes of the provisions of this Section 3.03, all monies loaned or advanced to or on behalf of the Joint Venture by or on behalf of a Owners thereof, shall conclusively be deemed to be Owners' Loans.

Section 2.04 - After Sales Service Fund

During the course of the Joint Venture project, and, in any event, prior to the completion of the closings of sales of the last five percent (5%) of dwelling units to be erected upon any site forming part of the Joint Venture Lands, and prior to the distribution of all net or anticipated net profits to the Joint Venture Owners, the Owners of the Joint Venture shall establish a fund for after sales service (the "Fund") for the purposes, and upon the terms as are hereinafter more particularly set out.

A fund not exceeding the total amount of the aggregate of two and one-half percent (2.5%) of the selling price per dwelling unit, for each of the dwelling units constructed upon the Joint Venture Lands, shall be established for the purpose of payment of all costs as may be reasonably anticipated by the Manager, which will be incurred by the Joint Venture in respect of the repair, replacement and correction of construction defects in dwelling units, the repair, replacement and correction of subdivision services, completion of the obligations of the Joint Venture party to this Agreement, does or is the subject of any act or thing pursuant to any agreement of purchase and sale in respect of the Joint Venture Lands, completion of any obligations incurred by the Joint Venture pursuant to any requirement of "The Ontario New Home Warranty Program", and, generally, the cost of completion of all follow-up work on the Joint Venture Lands arising out of or associated with building operations undertaken by the Joint Venture (hereinafter collectively referred to as the "subsequent building operations"). The whole or any part of the fund shall, from time to time, as the Manager may deem necessary, be applied in payment of the cost of completion of subsequent building operations, and, in the event from time to time or at any time, in the discretion of the Manager, there does not remain sufficient funds held in such Fund to cover the cost of completion of all subsequent building operations, the Joint Venture Owners

hereby agree to advance such funds to the Fund in the proportions set forth in Section 1.03 hereof, as the Manager in its sole discretion reasonably requires.

The Manager may, in its sole discretion, reduce the total amount of funds held in the Fund, from time to time, as may be appropriate taking into account the anticipated cost of subsequent building operations then outstanding. In the event of any such reduction, and, in any event, upon the Manager determining that all subsequent building operations have been fully completed, the balance of the Fund, then remaining available for distribution shall be distributed to the Owners of the Joint Venture in accordance with their respective proportionate ownership interest as set forth in Section 1.03 hereof.

ARTICLE III

INTENTIONALLY DELETED

ARTICLE IV

MANAGEMENT AND SUPERVISION

Section 4.01 - Appointment and Duties of Manager

The Owners of the Joint Venture hereby authorize the Manager, 7 Generations Development Group Limited, as the Manager on behalf and for the benefit of the Owners and the Joint Venture project, to manage and supervise all aspects of the development and construction of improvements upon the Joint Venture Lands, and, for such purpose, authorize and duly appoints the Manager to represent itself as the duly authorized agent for the Owners for all purposes, including the power to bind the Owners in contract, deed and undertakings as the Manager in its sole discretion deems appropriate for the benefit of the Owners in advancing the purpose and scope of the Joint Venture Project. The Manager shall, in carrying out its role herein, provide or attend to the following:

- (a) The commissioning, keeping and maintenance of development and technical records and financial information;
- (b) An office for the Joint Venture Project, including all of the necessary clerical staff, telephones, office equipment and office supplies, at the sole cost and expense therefore of the Manager, save and except the site office and site telephone;
- (c) Arranging for the retention of services of persons, firms or corporations to act as trades for the construction operations upon the Joint Venture Lands, and for retaining all necessary professional services required, and for arranging bank and institutional financing;
- (d) Supervising all development of the Joint Venture Lands and submitting all advisable municipal or provincial applications, including re-zoning and site plan applications necessary for the obtaining of approvals to permit construction of the Joint Venture Project as designed and to completion and registration of a plan of subdivision on the Joint Venture Lands and installation of all required utilities and municipal services, including, without limiting the generality of the foregoing, supervision and processing of all applications to municipal and other governmental authorities having jurisdiction, giving instructions to supervisors, engineers and contractors, the letting out of contracts for the performance of such services and supervising performance of such contracts;
- (e) The direct field supervision of all trades and contractors and overseeing and directing trades and contractors in the actual construction of dwelling units and appurtenant improvements thereto upon the Joint Venture Lands;

- (f) Generally, managing the day-to-day affairs of the Joint venture Project, and for such purposes, the Manager shall be responsible for completion of the obligations herein recited;
- (g) Notwithstanding anything to the contrary contained in this Agreement, the Manager shall have the sole and exclusive control over all aspects of construction operations and sales and marketing operations of the dwellings to be constructed upon the Joint Venture Lands, including, without limiting the generality of the foregoing, full control over design of dwelling units, construction timetables, employment and termination of employment of trades, suppliers and real estate agents, pricing and sales of dwelling units and extras charged to purchasers, and all other matters relating to or arising out of construction and sales of dwelling units upon the Joint Venture Lands.

Section 4.02 - Compensation of Manager

The parties hereto agree that the Manager shall receive compensation for services to be rendered and as set out herein as follows;

- (a) The Manager shall receive a priority right to the payment of five (5%) percent of the gross profits realized upon completion and sale of the Joint Venture Project, in addition to such other compensation as set out in this Article IV.
- (b) A Management Fee equivalent to two and one half (2.5%) percent of the actual costs of construction payable monthly commencing thirty (30) days after the commencement of construction upon the Lands.
- (c) Such other amount as the parties may agree for pre-construction services as per such fees paid for commensurate services in the industry, provided however that the Manager shall receive a monthly payment for all pre-construction services of no less than \$25,000.00.

Section 4.03 - Manager's Costs

The following items, costs and expenses which may be incurred by the Manager on behalf of the Joint Venture, shall be the responsibility of the Owners, and shall not be charged to the account of the Manager:

- (a) Provision of the Joint Venture project office, rental charges therefore, office staff, telephone charges, postage, stationery, and all other matters incidental to the maintenance and operation of such Joint Venture office;
- (b) All costs and expenses incurred by the Manager incidental to the performance of the Manager's duties as set out in Section 5.01 hereof, save and except only those matters hereinafter specifically excluded from the Management Fee;
- (c) All costs and expenses incurred by the Manager on account of salary paid to its office employees, whether such employees provide managerial or clerical or other services, including Workmen's Compensation contribution costs or deductions from such employees, unemployment insurance and Canada Pension Plan contributions, costs or deductions for such employees, insurance policies of any nature or kind whatsoever, including medical or dental, life, sickness, accident or liability policies, obtained with respect to such employees or with respect to the principals of the Manager.
- (d) Any taxable refunds, including any HST reimbursements, or any other amounts which may become due and owing to the Owners shall be payable to the Manager on account of anticipated Manager costs.

- (e) Moneys actually expended by the Manager to purchase incidental supplies used in connection with the construction of houses on the Joint Venture Lands or used in connection with the supervision of such construction;
- (f) Salaries, wages, and benefits paid to or on behalf of casual laborers employed in the construction of dwelling units on the Joint Venture Lands, excluding all office staff employed by the Manager;
- (g) Salaries, wages and benefits paid to or on behalf of all on site foremen and superintendents;
- (h) All contributions on account of Workmen's Compensation payable with respect to such casual laborers and site superintendents, excluding the office staff employed by the Manager;
- (i) Gasoline, car maintenance and other traveling expenses in relation to vehicles owned by, leased by, or otherwise utilized by the Joint Venture for the Joint Venture project.

Section 4.05 - Personal Services and Non-Assignment

The Manager covenants and agrees to provide the personal services of development and construction and marketing/sales management at all such times and from time to time (but not necessarily on a full time basis) as may reasonably be required by the Joint Venture in respect of the Joint Venture obligations of the Manager herein. The Manager may duly authorize any of its affiliated companies from time to time to carry out the purposes of the Manager when convenient to do so.

The Management Agreement herein contained may not be assigned without the unanimous consent of the Joint Venture Owners in writing, which consent may be arbitrarily withheld.

It is agreed between the Joint Venture and the Manager that the Manager shall have the right and exclusive control over all plans, drawings, surveys and other proprietary documents and records commissioned or generated in furtherance to the Joint Venture until such time as the Manager has been reimbursed all of its costs, and paid for all of its services as contemplated herein. In the event the Joint Venture Project is sold prior to the commencement of construction or in the event the Joint Venture Owners assign any of their interest herein to a third-party or enter into a further agreement in the form of a partnership or co-tenancy agreement or in the event the Owners or this Joint Venture fail to raise the necessary funding required to advance the Joint Venture Project, or in the event the Owners or the Joint Venture are adjudged, bankrupt, make an assignment into bankruptcy on behalf of their creditors, are petitioned and ordered into receivership, is wind up, voluntarily or otherwise the affairs of the Joint Venture or otherwise lose possession and control of the Joint Venture Lands to any party then;

- a. In the event of a sale or new joint venture partnership agreement, such purchaser, new partner or joint venture participant shall be obligated to assume this Management Contract and to pay forthwith at the time of completion of such transaction the Managers earned entitlement pursuant to services rendered;
- b. In the event of a bankruptcy, winding up, receivership or general appointment in favour of creditors, the Owners and the Joint Venture shall be deemed to have no right, title or interest in the Managers notes, records, studies, applications, projections or budgets prepared in connection herewith which shall remain the exclusive property of the Manager until such time as the Manager receives full compensation for services rendered in connection herewith to be determined by the Manager and receives payment of an amount equivalent to the Managers anticipated earnings upon completion and sale of the Joint Venture Project.

ARTICLE V

ADMINISTRATION

Section 5.01 - Banking

A separate bank account shall be opened and maintained for the Joint Venture Project in the name of the Joint Venture or in such other name or names as the Owners may from time to time agree upon. All moneys received from time to time on account of the business of the Joint Venture shall be paid immediately into such bank account for the time being in operation in the same drafts, cheques, bills or cash in which they are received, and all disbursements on account of the Joint Venture shall be made by cheque on such bank. All cheques drawn on such bank account and other banking documents, including authorizations required to be executed by the Joint Venture shall be executed on its behalf by the President of the Trustee Corporation.

Section 5.02 - Bank and Other Financing

The Owners agree that they will actively pursue and work toward obtaining satisfactory bank credit and interim financing for the Joint Venture Project, it being the intention of the parties that such financing be sought in the highest amounts obtainable so that the equity investment required by the Owners will be kept to the minimum amount possible. The Owners agree to execute and deliver such guarantees as may be required for the purpose of enabling the Joint Venture to obtain such bank credit and interim financing. Each of the Owners hereby covenants and agrees to permit all the property and assets of the Joint Venture, or such of them as such banker or lender may require, to be mortgaged, charged or otherwise encumbered to or in favor of such bank or lender in order to obtain financing for the Joint Venture. Where, pursuant to the foregoing provisions of this Section, the Joint Venture Owners, or any of them, have, in respect of any of the debts, obligations or liabilities of the Joint Venture, to its banker or any other lender, executed, on a joint and several basis, an agreement or covenant of suretyship or guarantee in favor of such banker or lender, then, notwithstanding the foregoing, such parties hereby covenant and agree that, as between and among themselves, each of them shall be responsible for such debts, obligations and liabilities to the extent of their proportionate ownership interest as set out in Section 1.03 hereof. In the event any banker or lender of the Joint Venture requires, as a condition of granting any credit or interim financing for the Joint Venture, the personal covenant of the principal or principals of the Owners, the Owners hereby agree to cause their respective principal or principals to provide the required personal covenants to such banker or lender.

Section 5.03 - Books of Account

Proper books of account shall be kept by the Manager on behalf of the Joint Venture project, and entries shall be made therein of all such matters, terms, transactions and things as are usually written and entered in books of account kept by others engaged in an enterprise of a similar nature, and each of the parties hereto shall have free access at all times to inspect, examine and copy them, and shall at all times furnish to the other, correct information, accounts and statements of and concerning all such transactions without concealment or suppression.

Section 5.04 - Appointment of Accountants

MNP LLP, Attention: Lee S. Bass, Chartered Accountants shall be the Accountants of the Joint Venture project, the Owners and the Manager respectively, or such other firm of chartered accountants as the Owners of the Joint Venture project and the Manager may from time to time unanimously agree upon. The Accountants shall, at the end of each fiscal year of the Joint Venture, and at such other time as may reasonably be required by a Joint Venture Member, prepare Financial Statements of the books and accounts of the Joint Venture and for such purposes, they shall have access to all books of account, records and all vouchers, cheques, papers and documents of or which may relate to the Joint Venture. The Joint Venture shall cause

its Accountants to furnish copies of all Financial Statements prepared for, on behalf of, or in connection with the Joint Venture to each of the Owners, forthwith after their preparation.

Section 5.05 - Distribution of Available Funds

Receipts and revenues of the Joint venture project from any source whatsoever, shall be applied and distributed in the following order of priority, no distribution being made in any category set forth below unless and until the preceding category has been satisfied in full, unless the Owners otherwise agree in writing:

- (a) The payment of all debts, obligations, liabilities, costs and expenses incurred in connection with or on account of the Joint Venture Project by the Manager, other than the Management Fees herein provided;
- (b) The repayment of any moneys loaned or advanced pursuant to Section 2.02 hereof;
- (c) The payment of the Management Fee, if any, as provided in Section 4.02 hereof;
- (d) The repayment of any moneys advanced pursuant to Section 1.03 hereof, but subject to the provisions of Section 1.03 hereof;
- (e) The distribution of the moneys remaining, if any, to the Owners of the Joint Venture in accordance with their rights and interests in the Joint Venture as set out in Section 1.04 hereof, subject to the Fund as set out in Section 1.04 (b) hereof;
- (f) The balance of the Fund, if any, pursuant to Section 1.04 hereof.

Section 5.06 - Losses and Expenses

All expenses of the Joint Venture and all losses which may be incurred by the Joint Venture shall be paid or borne by the Owners, first, out of the funds available for distribution, and thereafter, out of the funds advanced by each of the Owners, in the proportions set out in Section 1.04 hereof.

Section 5.07 - Indemnity

In the event that any time hereafter any of the Owners shall become a surety or guarantor, or become indebted or liable for any moneys borrowed by the Joint Venture or for any obligation entered into by the Joint Venture, or any of the Owners expends any money on behalf of the Joint venture, so long as such debt, liability, obligation or expenditure is incurred pursuant to the provisions of this Agreement, or in the event that any Owner shall not receive repayment in full of the moneys advanced by each Owner to the Joint Venture project pursuant to the provisions of this Agreement, then in any such event, each of the Owners hereto covenants and agrees to protect, indemnify and save the other Member or Owners harmless against and from any such loss, damage, costs and liability whatsoever, arising in respect of the aforementioned debt, liability, obligation, expenditure or loan, in the respective proportions set out in Section 1.03 hereof.

Section 5.08 - Personal Covenants

For the purpose of this Section 5.08 the following shall apply:

- (a) Owners, in this section referred to also as Covenantors, the Covenantors, respectively, agree as follows:
 - (i) In the event that any banker or lender of the Joint Venture, including any banker or lender of another entity or corporation in which the Joint

Venture herein is a participant or Shareholder, requires, as a condition of the granting of financing, that the personal covenant and/or guarantee of any or all of the principals of the Owners herein be delivered as security for repayment of any financing granted, each aforesaid Covenantor agrees that he shall execute and deliver all such personal covenants and/or guarantees as may be necessary to effectuate the foregoing.

- (ii) Where, pursuant to the foregoing provisions of this Agreement, any or all of the Covenantors have, in respect of any of the debts, obligations or liabilities of the Joint Venture, to its banker or any other lender as aforesaid, executed on a joint, joint and several, or several basis, an agreement or covenant of suretyship or guarantee in favour of such banker or lender, then, notwithstanding the foregoing, each aforesaid Covenantor hereby indemnifies and agrees to save each of the other Covenantors harmless from and against all liability and responsibility for such debts, obligations and liabilities in excess of the extent of the proportionate ownership interest of the respective Owners, as set out in paragraph 1.03 hereof, with which the respective Covenantors are associated as aforesaid.
- (iii) Each Covenantor does hereby covenant, promise and agree as principal debtor and not as surety, that he will well and truly pay or cause to be paid to the Joint Venture, all moneys required to be paid by the Member with which the Covenantor is associated at the times and in the manner as is in this Agreement set forth, and shall observe, fulfill and keep, all and singular the covenants, provisoes, conditions, agreements and stipulations in this Agreement contained, and does hereby agree to all the conditions, provisoes, agreements and stipulations contained in this Agreement and does further agree that this covenant shall bind him notwithstanding the giving of time for payment hereunder or the varying of the terms of payment, or the rate of interest thereon. Further each Covenantor agrees that any party hereto may waive breaches and accept other covenants, sureties or securities without notice to him and without relieving him from any liability hereunder, which shall be a continuous liability and shall subsist until termination of this agreement.
- (iv) In the event any Covenantor is composed of more than one party, each of the covenants, obligations, and liabilities of such Covenantor as are contained in this Agreement are expressly given, made and undertaken by each of the parties comprising such Covenantor on a joint and several basis.

Where, pursuant to the foregoing provisions of this Agreement, any or all of the Covenantors have, in respect of any of the debts, obligations or liabilities of the Joint Venture, to its banker or any other lender as aforesaid, executed on a joint, joint and several, or several basis, an agreement or covenant of suretyship or guarantee in favour of such banker or lender, then, notwithstanding the foregoing, each Member hereby indemnifies and agrees to save each of the Covenantors, respectively, harmless from and against all liability and responsibility for such debts, obligations and liabilities in excess of the extent of the proportionate ownership interest of the respective Owners, as set out in paragraph 1.03 hereof, with which the respective Covenantors are associated as aforesaid.

ARTICLE VI

GENERAL

Section 6.01 - Arbitration

If, at any time or from time to time during the continuance of the Joint Venture project or after the dissolution or other termination thereof, any dispute, difference or question shall arise between or among any of the parties hereto, their heirs, executors, administrators, successors, assigns or nominees or any of them, touching or concerning the Joint Venture project, the Lands or its management then every such dispute, difference or question shall be submitted to and settled by arbitration and the decision of the arbitrator appointed as hereinafter provided, to deal with such matter shall be accepted by all the parties to such dispute, difference or question and the Owner or Management Corporations, respective nominees, all of whom, if they are Owners or Shareholders, or both, employees, principals or assigns, agreeing to be bound by such arbitration method. The arbitration shall be conducted by a single arbitrator agreed upon by the parties to the matter. If, within five (5) days after notice of the matter has been given by one of such parties to the other or others, such parties cannot agree upon a single arbitrator, then in such event, the arbitration shall be conducted by a single arbitrator appointed by a Judge of the Supreme Court of Ontario, on the application of any such party, with notice to the other or others. The arbitration shall be conducted in accordance with the provisions of The Arbitrations Act of Ontario and of any amendment thereto or of any successor statute thereof, in force at the time of such dispute, difference or question. The decision of the arbitrator shall be final and binding upon all parties to such dispute, difference or questions and their nominees, and upon the Trustee Corporation, and there shall be no appeal therefrom.

Section 6.02 - Notices

Any notice, statement, document or other commission required or permitted to be given by any party or parties pursuant to any of the provisions of this Agreement shall be sufficient given if such notice, statement, document or other communication is in writing and is delivered to such party or parties or sent by prepaid registered mail addressed to such party or parties as follows:

<u>Name of Party</u>	<u>Address of Party</u>
The Owners	c/o Blake Larsen 5510 Ambler Drive Suite 2 Mississauga, Ontario L4W 2V1
The Manager	c/o 15-3347 262 Street Aldergrove, BC, V4W 3V9

or to such other address for such party or parties as any of them may from time to time notify the other parties in the manner hereinbefore in this Section 6.02 provided, and any such notice, statement, document or other communication shall be deemed to have been received by any such party when delivered to it or him, or, if mailed as aforesaid, on the fourth (4th) business day following the day on which it was so mailed, provided there are no labor disruptions in the postal service.

Section 6.03 - Time of the Essence

Time shall be of the essence of this Agreement and of every part hereof.

Section 6.05 - No Partnership Created

Nothing herein contained, or otherwise arising herefrom, shall constitute the parties hereto as partners with one another, nor shall anything herein constitute any of the parties hereto as agent for one another except as expressly provided herein. Each of the parties hereto shall punctually pay and discharge its present and future separate debts and liabilities, and shall at all times keep indemnified the other and the Joint Venture Lands against such debts and liabilities.

Section 6.06 - Nature of Agreement

This Agreement and all of the terms, covenants, conditions, and other provisions of or contained herein and all of the obligations under or pursuant to this Agreement shall be binding on and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns, and shall be binding on any trustee or receiver in bankruptcy of any party or its or their respective heirs, executors, administrators, successors and permitted assigns and on any trustee or any appointee of any court or other tribunal and on any person, including a corporation, who shall receive the property of any party, or his or its respective heirs, executors, administrators, successors or permitted assigns upon any liquidation of such party (or its respective successors and assigns) or any disposition by any of the parties or their respective heirs, executors, administrators, successors and assigns, and upon any official, person or corporation upon whom or which shall devolve by operation of law or otherwise, any interest in or claim to the property of or interest in of any party hereto or his or its respective heirs, executors, administrators, successors and assigns.

The captions in this Agreement form no part of this Agreement and shall be deemed to have been inserted for convenience of reference only.

This Agreement shall be read and construed as the number and gender of the party or parties referred to in each case require and as may otherwise be required by the context.

Section 6.07 - Termination

The Joint Venture hereby constituted shall terminate only upon the completion in full of the Joint venture Project, the payment and distribution of all assets of the Joint Venture to all parties entitled thereto, the completion in full of all of the respective obligations and covenants of each of the parties to this Agreement, and the fulfillment, payment or waiver of all liabilities (including contingent liabilities of the Joint Venture and each of the parties to this Agreement).

Provided that this Agreement and the Joint Venture hereby constituted may be otherwise terminated upon written agreement by all of the parties to this Agreement.

IN WITNESS WHEREOF the corporate parties hereto have hereunto affixed their respective corporate seals under the hand of their duly authorized Officers in that behalf, and the other parties hereto have hereunto set their hands and seals, as of the day, month and year first above written.

SIGNED, SEALED AND DELIVERED

In the presence of

2738283 ONTARIO INC., 2738284 ONTARIO INC.
2738285 ONTARIO INC.

Per:  _____

I have authority to bind all three corporations

7 GENERATIONS DEVELOPMENT GROUP LIMITED

Per:  _____
BLAKE LARSEN

I have authority to bind the Corporation

APPENDIX "C"

APPENDIX "C"

Court File No.: CV-21-00670723-00CL

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

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

BETWEEN

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**AMENDED FIRST REPORT OF MNP LTD. AS RECEIVER OF THE ASSETS,
UNDERTAKINGS AND PROPERTIES OF 2738283 ONTARIO INC., 2738284
ONTARIO INC. AND 2738285 ONTARIO INC.**

MARCH 3, 2022

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APPENDICES

Appendix “A”	Appointment Order dated November 9, 2021
Appendix “B”	Management/Service Agreement dated May 13, 2020
Appendix “C”	Endorsement of Justice Penny dated November 10, 2021
Appendix “D”	Summary and Listing Proposals received from the Brokers (Redacted)
Appendix “E”	Avison Young Listing Agreement
Appendix “F”	Purchase Agreement dated February 4, 2022 (Redacted)

Appendix “G”	Assignment and Assumption of Purchase Agreement dated March 3, 2022
Appendix “H”	Receiver’s Interim Statement of Receipts and Disbursements
Appendix “I”	Fee Affidavit of Deborah Hornbostel sworn February 24, 2022
Appendix “J”	Fee Affidavit of Robert Thornton sworn March 3, 2022
<u>Appendix “K”</u>	<u>ReMax Listing Agreement (Redacted)</u>

CONFIDENTIAL APPENDICES

Confidential Appendix “1”	ReMax Listing Agreement dated November 4, 2021
Confidential Appendix “2”	Summary and Listing Proposals received from the Brokers
Confidential Appendix “3”	Summary of Offers Received by Second-Round Bidders
Confidential Appendix “4”	Purchase Agreement dated February 4, 2022 (Unredacted)

INTRODUCTION

1. By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 9, 2021 (the “**Appointment Order**”), MNP Ltd. was appointed receiver (in such capacity, the “**Receiver**”), without security, of those assets, undertakings and properties of 2738283 Ontario Inc. (“**283**”), 2738284 Ontario Inc. (“**284**”) and 2738285 Ontario Inc. (“**285**” and collectively, with 283 and 284, the “**Debtors**”) described in Schedule “A” to the Appointment Order, pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act*. Attached hereto as **Appendix “A”** is a copy of the Appointment Order.
2. The Appointment Order was granted on an application commenced by PS Holdings 1 LLC, PS Holdings 2 LLC and PS Holdings 3 LLC (collectively “**PS Holdings**”) as the Debtors were in default of their secured obligations to PS Holdings.
3. The Debtors are private Ontario corporations all incorporated on January 21, 2020. They have the same registered head office in Mississauga, Ontario and the sole officer and director of each of the Debtors is Blake Larsen. The Debtors’ assets principally consist of vacant real property (subject to the Leases, as defined below), that the Debtors were in the process of developing for mixed industrial and residential use. The Debtors do not employ any employees.
4. The real properties owned by the Debtors are listed in the chart below:

Debtor	Property Address	Description of Real Property
283	320 Mapleview Drive West, Barrie, Ontario (“ 320 Mapleview ”); and 366 Mapleview Drive West, Barrie, Ontario (“ 366 Mapleview ”)	5.435 acres, Light Industrial 0.724 acres, General Commercial
284	664 Essa Road, Barrie, Ontario (“ 664 Essa ”)	6.730 acres, Light Industrial
285	674 Essa Road, Barrie, Ontario (“ 674 Essa ”)	12.509 acres, Light Industrial

5. Copies of the parcel registers for 320 Mapleview, 366 Mapleview, 664 Essa and 674 Essa (collectively, the “**Real Property**”) were included as Exhibits C, D, E and F, respectively, to the Affidavit of Paul Sadlon Jr. sworn October 18, 2021 (the “**Sadlon Affidavit**”), included in PS Holdings’ application record dated October 22, 2021 (the “**Application Record**”).

6. As described in the Sadlon Affidavit, the Debtors acquired the Real Property from PS Holdings pursuant to an agreement of purchase and sale dated April 30, 2020, which closed on May 13, 2020. The Debtors’ acquired the Real Property with the intention of developing the sites as high-density, mixed-use developments.

7. Contemporaneously with the closing of the purchase and sale transaction, PS Holdings assigned to the Debtors its respective interests under four leases respecting elements of the Real Property, being two leases for residential houses and two leases for billboard signs (collectively, the “**Leases**”).

8. As described in greater detail below, the Debtors and 7 Generations Development Group Limited (“**7 Generations**”) entered into a Management/Service Agreement dated May 13, 2020 (the “**Management Agreement**”) to form and constitute a joint venture project for

the development and construction of the Real Property. Among other things, 7 Generations agreed to, on behalf of the Debtors, seek rezoning of the Real Property from industrial to mixed residential and commercial use and 7 Generations would assume control of the joint venture project on behalf of the Debtors. Pursuant to the Management Agreement, among other things, 7 Generations was authorized to act as agent on behalf of the Debtors to engage services and contractors in respect of the development of the Real Property. Blake Larsen is the principal of 7 Generations.

9. The Application Record (including the Sadlon Affidavit), Appointment Order and all other publicly available information in these proceedings, have been posted to the Receiver's website (the "**Receiver's Website**"), which can be found at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al>.

PURPOSE OF THIS REPORT

10. The purpose of this first report of the Receiver (the "**First Report**") is to:
 - (a) report on the Receiver's activities since the date of the Appointment Order (the "**Appointment Date**");
 - (b) describe the Sale Process (as defined below) conducted by the Receiver to market the Real Property;
 - (c) describe the Receiver's proposed claims process (the "**Claims Process**") to assess and determine claims against the Debtors and 7 Generations in relation to the Real Property;
 - (d) provide this Court with the evidentiary basis to make an order (the "**Approval and Vesting Order**"), *inter alia*:

- (i) approving the agreement of purchase and sale between the Receiver, as vendor, and 2771280 Ontario Inc. d/b/a Ark Capital Group as subsequently assigned to Essa Rd Development Ltd. (the “**Purchaser**”), as purchaser, dated February 4, 2022 (the “**Purchase Agreement**”), and authorizing the Receiver to complete the transaction contemplated thereby (the “**Transaction**”);
 - (ii) with respect to the completion of the Transaction, vesting in the Purchaser, the Debtors’ right, title and interest in and to the Real Property, free and clear of any claims and encumbrances;
 - (iii) sealing Confidential Appendices “1”, “2”, “3” and “4” until completion of the Transaction and further order of this Court;
 - (iv) approving distributions to the Secured Creditors (as such term is defined below) upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion;
 - (v) approving the Receiver’s Interim Statement of Receipts and Disbursements as at February 28, 2022;
 - (vi) approving the First Report and the actions of the Receiver described herein, including, without limitation, the Sale Process; and
 - (vii) approving the fees and disbursements of the Receiver and the Receiver’s counsel, Thornton Grout Finnigan LLP (“**TGF**”);
- (e) provide this Court with the evidentiary basis to make an order (the “**Claims Process Order**”), *inter alia*, approving and authorizing the Claims Process and authorizing, directing, and empowering the Receiver to administer the Claims Process in accordance with the terms of the proposed Claims Process Order; and
- (f) the Receiver recommendations with respect to the foregoing.

TERMS OF REFERENCE

11. In preparing this First Report, the Receiver has relied on unaudited financial and other information regarding the Debtors and the Real Property provided to it, including information (collectively the “**Information**”):
 - (a) provided by PS Holdings and its legal counsel;
 - (b) provided by Blake Larsen;
 - (c) provided by three (3) prominent commercial real estate brokerage firms (collectively, the “**Brokers**”), namely, CBRE Limited, Colliers Canada and Avison Young Commercial Real Estate Service, LP (“**Avison Young**”), each of which provided the Receiver with marketing and listing proposals for the Real Property;
 - (d) as set out in the Sadlon Affidavit, filed in connection with the application for the Appointment Order;
 - (e) provided by Canada Revenue Agency (“**CRA**”);
 - (f) provided by the Secured Creditors (defined below); and
 - (g) as otherwise available to the Receiver and its counsel.
12. Except as described in this First Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
13. All currency references are in Canadian Dollars unless otherwise specified.

ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT DATE

Initial Activities

14. In addition to performing its statutory obligations under the BIA and taking the appropriate conservatory and protective measures, the Receiver carried out the following steps regarding the Real Property, including:
 - (a) Immediately upon its appointment, the Receiver wrote to Mr. Larsen to request various information with respect to the Debtors and the Real Property. The Receiver eventually learned that the Debtors had no books and records and that 7 Generations reported all of the liabilities of both the Debtors and 7 Generations, incurred pursuant to the Management Agreement, on the books and records of 7 Generations. The Receiver was provided with a copy of the accounts payable of 7 Generations and understands that all creditors of 7 Generations relate to services conducted in relation to the Real Property and their development; and
 - (b) On December 22, 2021, the Receiver notified the creditors of 7 Generations in the payable listing provided by Mr. Larsen of the receivership proceedings and of the Debtors' relationship with 7 Generations. The Receiver also sought and obtained an undertaking from Mr. Larsen's counsel that no further work would be undertaken by 7 Generations or its service providers with respect to the Real Property pursuant to the Management Agreement.
15. Pursuant to its authority under the Appointment Order, the Receiver borrowed the amount of \$13,500 from 683728 Ontario Ltd. via a Receiver's Certificate dated December 21, 2021 (the "**Receiver's Borrowing**") to fund the ongoing operating expenses of the Receiver and the Real Property.

Leases and Property Related Issues

16. At the outset of the receivership, the Receiver had minimal information with respect to the Leases and was not receiving timely information from Mr. Larsen. The Receiver issued registered letters to the last known tenants occupying the houses on the Real Property prior to Mr. Larsen's response on that issue, but the letters were eventually returned by Canada Post.
17. The Receiver eventually learned that the upper portion of the house at 320 Mapleview was being renovated for use as a showroom and that a tenant was occupying the basement. The house at 664 Essa Road had also been undergoing renovations but that work had ceased prior to the Appointment Order being issued and that house was vacant. Upon learning of the vacancies, the Receiver arranged for inspections of the houses and changed the locks.
18. On December 1, 2021, Mr. Larsen provided the Receiver with a copy of the lease with respect to the tenant residing in the basement of 320 Mapleview, but no other contact information. The Receiver arranged for delivery of correspondence to the tenant to advise him of the receivership proceedings and to arrange for inspection of the unit. Subsequently, the Receiver arranged for proper heating to the unit, installation of smoke and CO2 detectors and payment of ongoing rent.
19. The changeover of utility services with respect to the two houses was challenging as no utility account information had been provided by Mr. Larsen. The Receiver had to contact various providers to ascertain who was providing the services. Some accounts were still in the names of tenants unknown to the Receiver and some of the utility providers were unable to locate any accounts. The Receiver eventually determined that one house was on well

water with a wood burning electric furnace and the other was heated by propane. The Receiver arranged for the termination of all utilities at 664 Essa and an inspection of the wood burning furnace at 320 Mapleview in order to comply with insurance requirements.

20. The Receiver negotiated a contract for snow removal at the Real Property to ensure that there was proper access to the houses in case of emergency.
21. For unknown reasons, a large section of the land around the back of the house on 320 Mapleview had been excavated prior to the Appointment Date. As a result of the excavation, the pipes from the water well were exposed and due to the extreme cold temperatures in January 2022, the water supply froze. The Receiver engaged a contractor to insulate the exposed piping and cover the immediate area with the soil that had previously been excavated. As a result of a snowstorm that commenced later that evening, and subsequent snowstorms, the remaining excavated area has not been addressed.
22. There are several billboards on the Real Property that are subject to two leases in existence for several years. As information was not forthcoming from Mr. Larsen with respect to the status of these billboards and lease arrangements, the Receiver tracked down the lessees and arranged for the redirection of monthly rent and the collection of rental arrears to the Receiver dating back to August 2020.
23. The Receiver arranged to be added onto the existing insurance policy of the Debtors as loss payee and insured and has arranged for a short-term extension of the policy which is set to expire on March 16, 2022. In accordance with the request of the insurer, the Receiver arranged for bi-weekly inspections of the unoccupied house.

24. The Receiver commissioned a new Phase One Environmental Report to be available to prospective purchasers during the Sale Process. No issues of concern were noted.

Management Agreement

25. As noted above, the Debtors and 7 Generations were party to the Management Agreement, a copy of which is attached hereto as **Appendix “B”**. The salient terms of the Management Agreement are as follows:

- (a) 7 Generations was appointed as the Manager to manage and supervise all aspects of the development and construction of improvements upon the Real Property (the “**Joint Venture Project**”), with the power to act as the duly authorized agent of the Debtors including the power to bind the Debtors as Manager for the purposes of advancing the Joint Venture Project;
- (b) 7 Generations’ responsibilities included:
 - (i) arranging for the retention of services of persons, firms or corporations to act as trades for the construction operations on the Joint Venture Project, and for retaining all necessary professional services required, and for arranging bank and institutional financing;
 - (ii) supervising all development of the Joint Venture Project and submitting all advisable municipal or provincial applications, including re-zoning and site plan applications necessary for the obtaining of approvals to permit construction of the Joint Venture Project as designed and to complete and register a plan of subdivision on the Real Property and installation of all required utilities and municipal services, including supervision and processing of all applications to municipal and other governmental authorities having jurisdiction, giving instructions to supervisors, engineers and contractors, the letting out of contracts for the performance of such services and supervising performance of such contracts;

- (iii) the direct field supervision of all trades and contractors and overseeing and directing trades and contractors in the actual construction of dwelling units and appurtenant improvements thereto upon the Real Property;
 - (iv) managing the day-to-day affairs of the Joint Venture Project; and
 - (v) the sole and exclusive control over all aspects of construction operations and sales and marketing operations of the dwellings to be constructed upon the Real Property;
- (c) the costs and expenses incurred by 7 Generations on behalf of the Joint Venture Project shall be the responsibility of the Debtors;
- (d) 7 Generations was granted the right and exclusive control over all plans, drawings, surveys and other proprietary documents and records commissioned or generated in furtherance to the Joint Venture Project until such time as 7 Generations has been reimbursed all of its costs, and paid for all of its services as contemplated therein;
- (e) a separate bank account was to be opened and maintained for the Joint Venture Project in the name of the Joint Venture Project or in such other name or names as the Debtors may from time to time agree upon. All moneys received from time to time on account of the business of the Joint Venture Project shall be paid immediately into such bank account for the time being in operation in the same drafts, cheques, bills or cash in which they are received, and all disbursements on account of the Joint Venture Project shall be made by cheque on such bank; and
- (f) 7 Generations was required to keep proper books of account on behalf of the Joint Venture Project, and make entries therein of all such matters, terms, transactions and things as are usually written and entered in books of account kept by others engaged in an enterprise of a similar nature, and each of the parties thereto shall have free access at all times to inspect, examine and copy

them, and shall at all times furnish to the other, correct information, accounts and statements of and concerning all such transactions without concealment or suppression.

26. Pursuant to the Management Agreement, 7 Generations engaged various professionals and service providers with respect to the preparation of development plans and studies related to the Real Property and submitted applications on behalf of the Debtors to the City of Barrie to request an amendment to the City of Barrie's Official Plan and zoning by-law. To date, the City of Barrie has not amended the zoning bylaws related to the Real Property, nor has it approved any redevelopment plans submitted by 7 Generations.
27. The Management Agreement entitled 7 Generations to undertake the development work relating to the Real Property. Accordingly, all of the required studies and work relating to the rezoning application and site plan approval were contracted for by 7 Generations (which, as mentioned above, is controlled by Mr. Larsen). Despite the Receiver's requests for the turnover of the documents relating to the development of the Real Property, Mr. Larsen refused to turnover such documents without full payment being made to 7 Generations for all costs incurred.
28. The Receiver did not utilize 7 Generations' services during the administration of the receivership as further development work on the Real Property was placed in abeyance during the Sale Process. Further, on December 13, 2021, Mr. Larsen's counsel confirmed to the Receiver that 7 Generations had suspended the undertaking of any further work pursuant to the Management Agreement. Accordingly, the Receiver did not adopt or perform the Management Agreement.

29. It is the Receiver's understanding that most, if not all, of the studies and reports related to the rezoning application and site plan approval were accessible to the public on the City of Barrie's website and accordingly, during the Sale Process, as detailed below, prospective purchasers were directed there to review that material as needed. Furthermore, the Receiver was advised by Avison Young, which, as detailed below, was chosen to be the Receiver's agent in marketing the Real Property, that none of the prospective purchasers had raised any concerns during the Sale Process about access and use of these reports because no related site plan had been approved by the City of Barrie and due to the overly high-density plans contemplated, it was unlikely to be approved in its current form by the City of Barrie.

SALE PROCESS

Steps Taken Prior to the Appointment Date

30. On November 4, 2021, prior to the Appointment Date, 7 Generations entered into a listing agreement (the "**Remax Listing Agreement**") with Remax West Realty Inc. ("**ReMax**"). The ReMax Listing Agreement granted ReMax the exclusive the right to act as 7 Generation's agent from November 4, 2021 to December 30, 2021 to sell the Real Property based on the listing price included therein. A redacted copy of the ReMax Listing Agreement is attached as **Appendix "K"**. It is the Receiver's understanding that the ReMax Listing Agreement, and listing price therein, was not previously disclosed to the public. A copy of the ReMax Listing Agreement is attached as **Confidential Appendix "1"**.
31. The Receiver's understanding is that the ReMax Listing Agreement resulted in the submission of at least two offers for the purchase of the Real Property. In response to the

Application Record, the Debtor's counsel filed a Responding Motion Record requesting an adjournment to PS Holdings' application to appoint the Receiver in order to provide the Debtors an opportunity to enter into the purchase agreement exhibited in its Motion Record (the "**Pre-Receivership Offer**") and close that sale transaction with such purchaser (who was named "a company to be incorporated") (the "**Pre-Receivership Bidder**").

32. The Pre-Receivership Offer provided for, *inter alia*, a deposit of approximately 1% of the purchase price, an \$8 million vendor takeback mortgage (as partial payment of the total proposed purchase price), a closing date of January 22, 2022 and a title search provision until January 13, 2022.
33. Justice Penny denied the adjournment request and granted the Appointment Order. In His Honour's Endorsement dated November 10, 2021 (the "**Endorsement**"), Justice Penny stated that "there is significant risk that the proposed agreement of purchase and sale will not close, leaving the applicants to pursue their remedies with even greater arrears and with even more complications associated with realizing on their security". A copy of the Endorsement is attached hereto as **Appendix "C"**.
34. The Receiver did not adopt the ReMax Listing Agreement, and rather, as described below, commenced the Sale Process in accordance with the terms under the Appointment Order.
35. After the Receiver's appointment, further potential purchasers contacted the Receiver desiring to quickly make a deal to purchase the Real Property. The Receiver and its counsel also had continued discussions with the Pre-Receivership Bidder and its counsel. The Receiver was presented with an unsigned financing commitment letter from the Pre-Receivership Bidder, in an effort to respond to the Receiver's concerns about its ability to

close the proposed transaction. Among other things, the commitment letter was conditional on due diligence, in the lender's sole discretion, which included appraisal values and syndication of the loan.

36. Between the Appointment Date and December 3, 2021, the Pre-Receivership Bidder worked diligently to enhance its offer by, among other things, agreeing to waive certain of the conditions in the Pre-Receivership Offer and having its lender firm up aspects of the commitment letter. After taking these steps, the Pre-Receivership Bidder's legal counsel asked the Receiver to reconsider acceptance of the offer.
37. After considering the terms of the enhanced offer submitted by the Pre-Receivership Bidder, receiving input from the Brokers, including Avison Young, and consulting with PS Holdings, the Receiver elected to proceed with the sale process contemplated by the Appointment Order (the "**Sale Process**") for the following reasons:
 - (a) it was apparent from the early results of the ReMax listing that there appeared to be significant interest in the Real Property;
 - (b) the parties that had already expressed interest in the Real Property could participate in the Sale Process; and
 - (c) the Sale Process would result in the Real Property being widely marketed in a fair and transparent process that could lead to submission of competitive bids, including a bid that may be favourable to the Pre-Receivership Bidder's offer.
38. The Receiver advised counsel to the Pre-Receivership Bidder of its decision to proceed with the Sale Process and invited it to participate in the Sale Process.

Receiver's Sale Process

39. The Appointment Order authorized the Receiver to market the Real Property, including by:
- (a) obtaining three (3) listing proposals from listing agents or brokers experienced in selling property similar to the Real Property in the same market as the Real Property;
 - (b) engaging the listing agent or broker that the Receiver in its discretion deems has submitted the best listing proposal to advertise and solicit offers in respect of the Property or any part or parts thereof (the “**Realtor**”);
 - (c) entering into a listing agreement with the Realtor; and
 - (d) establishing, in consultation with the Realtor, such terms and conditions of sale as the Receiver in its discretion may deem appropriate, including listing price, marketing strategy and deadline for offers, if appropriate.
40. In accordance with the Sale Process, the Receiver obtained three listing proposals from the Brokers, each of whom was experienced in selling property similar to the Real Property and in the same market as the Real Property. The listing proposals also included estimates of their expected selling prices. The listing proposals were initially due on November 19, 2021. Upon review of the proposals, the Receiver requested all three Brokers to resubmit their best proposals by November 24, 2021. Attached as **Confidential Appendix “2”** is the listing proposals received by the Brokers (the “**Listing Proposals**”), along with a summary of the key terms of the Listing Proposals (the “**Proposals Summary**”). Attached as **Appendix “D”** is a redacted version of the Proposals Summary (redacted for references to the Brokers’ compensation structure, other than Avison Young), and redacted versions of

the Listing Proposals (which have been redacted for any references to selling price, valuation, compensation, and challenges and concerns, as applicable).

41. Each of the Brokers recommended marketing the Real Property as an unpriced offering on MLS with a sealed bid deadline of similar timelines. Accordingly, in selecting a Broker to represent it, the Receiver gave significant weight to the commission structure and selected Avison Young as its listing agent because it had the lowest commission structure of a maximum of 1.5% of the selling price. On December 2, 2021, the Receiver executed a listing agreement with Avison Young, a copy of which is attached hereto as **Appendix “E”**.
42. The Sale Process commenced on December 9, 2021 and called for offer submissions by no later than 5:00 p.m. on January 31, 2022 (the “**Bid Deadline**”). Although Avison Young had initially recommended a four-week marketing period, the Receiver extended the marketing timeline due to the upcoming holiday period to ensure that all potential bidders would have sufficient time to complete due diligence and financing arrangements, if necessary, by the Bid Deadline.
43. The Sale Process required all potential purchasers to execute the Receiver’s form of Non-Disclosure Agreement (“**NDA**”) and submit their offers using the Receiver’s template Agreement of Purchase and Sale, along with providing a deposit of ten percent of the offer price and evidence of financial ability to complete the purchase. A data room was administered by Avison Young and access was only granted to those parties who executed the NDA.
44. Key points from Avison Young’s final marketing report to the Receiver are the following:

- (a) the Real Property was listed on both the Barrie and Toronto MLS systems;
 - (b) advertisements were placed for several days in the *Globe & Mail* and on LinkedIn;
 - (c) over 16,500 emails in total were sent out to potential purchasers on December 9, 2021, January 6, 21 and 27, 2022;
 - (d) 41 NDAs were executed during the almost 8-week marketing period; and
 - (e) access to the data room was granted to 70 individuals pursuant to those NDAs, as certain parties were represented by a number of individuals.
45. The Receiver also arranged for the Sale Process to be advertised in *Insolvency Insider*, a weekly email newsletter distributed to a database of Canadian insolvency and restructuring professionals.
46. Accordingly, the opportunity to purchase the Real Property was widely marketed.
47. A total of eight offers from six different bidders were received by the Bid Deadline. Two of the bidders submitted both conditional and unconditional offers at different price offerings.
48. After review of the offers, and in consultation with Avison Young, the Receiver instructed Avison Young to request three of the offerors to reconsider their offers and provided them until 5:00 p.m. on February 3, 2022 (the “**Extended Bid Deadline**”) to resubmit enhanced offers.
49. Avison Young received three enhanced offers by the Extended Bid Deadline. Attached hereto as **Confidential Appendix “3”** is a summary of the second-round offers received by the Extended Bid Deadline.

50. In the Receiver's view, and in consultation with Avison Young, the offer submitted by the Purchaser was the superior offer. Accordingly, on February 4, 2022, the Receiver accepted and executed the Purchase Agreement, which is described in greater detail below.

Purchase Agreement

51. A redacted copy of the Purchase Agreement (which is redacted only with respect to the Purchase Price and deposit amount) is attached hereto as **Appendix "F"**. An unredacted copy of the Purchase Agreement is attached hereto as **Confidential Appendix "4"**.

52. On March 3, 2022, the Purchaser executed an Assignment and Assumption of Purchase Agreement to assign the Purchase Agreement to Essa Rd Development Ltd., as provided for in Section 8.12 of the Purchase Agreement. A copy of that agreement is attached hereto as **Appendix "G"**, with the purchase price and deposit amount redacted from the Purchase Agreement contained in Schedule "A" attached thereto.

53. Salient terms of the Purchase Agreement are as follows:

- (a) the Purchaser has paid to the Receiver a deposit equal to 19.24% of the Purchase Price (which, notably, is nearly double the 10% deposit requested by the Receiver in the Sale Process and is substantially higher than the proposed deposit in the Pre-Receivership Offer), which shall be released to the Receiver if closing of the Transaction does not occur by reason of an uncured default of the Purchaser or the Purchaser's failure to close the Transaction (subject to the limited exceptions set out in the Purchase Agreement);
- (b) the closing of the Transaction is subject only to Court approval and the provision of an environmental reliance letter, the latter of which the Receiver has already obtained. There are no other conditions to closing of the Transaction;

- (c) closing of the Transaction is to take place on the later of (i) March 15, 2022, or (ii) 10 days after the date on which the Approval and Vesting Order is granted by the Court, or such other date as the parties may agree to in writing; and
- (d) the sale of the Real Property is on an “as is, where is” basis, with no representation or warranties provided by the Receiver.

54. The Receiver recommends that the Court approve the Transaction contemplated by the Purchase Agreement for the following reasons:

- (a) the Sale Process has been fair and transparent and allowed for sufficient exposure of the Real Property to properly canvass the market for a purchaser;
- (b) to the best of the Receiver’s knowledge, all reasonable requests for information made by potential purchasers were satisfied;
- (c) the proposed purchase price is consistent with the estimates of value provided to the Receiver by the Brokers and is higher than the listing price under the ReMax Listing Agreement;
- (d) the Purchase Agreement represents the highest and best realization for the Real Property;
- (e) the deposit amount provided by the Purchaser to the Receiver exceeds the Receiver’s requirements pursuant to the Sale Process and demonstrates the Purchaser’s seriousness and willingness to close the Transaction;
- (f) the terms and conditions contained within the Purchase Agreement are commercially reasonable; and
- (g) completion of the Transaction will allow for payment in full to the Secured Creditors and potentially full payment to all unsecured creditors of the Debtors (depending on the results of the Claims Process).

APPROVAL OF SEALING ORDER

55. The Receiver is seeking an order from the Court sealing Confidential Appendices “1”, “2”, “3” and “4”, which, respectively, consist of (i) the unredacted ReMax Listing Agreement, (ii) the unredacted Proposals Summary and Listing Proposals, (iii) a summary of the offers received by the bidders in the Sale Process, and (iv) an unredacted Purchase Agreement. With the exception of Confidential Appendix “3” (being the summary of offers received), unredacted versions of these appendices are attached to this First Report and the only redactions contained therein relate to the purchase price under the Purchase Agreement or proposed indications of value of the Real Property (or proposed commission structures of the Brokers other than Avison Young).
56. In the event that the Transaction does not close and the Receiver is required to remarket the Real Property, the redacted information could prejudice the Sale Process if it were made public. Such disclosure could potentially impair the value maximizing purpose of the Sale Process. For this reason, the Receiver has redacted this commercially sensitive information.
57. The Receiver is providing these Confidential Appendices to provide the Court with the benefit of the information in assisting with its determination of whether to approve the Transaction contemplated by the Purchase Agreement. The Receiver requests that the Court seal the Confidential Appendices until the Transaction has closed and subject to further order of the Court.
58. The Receiver is of the view that its approach aligns with the purpose of the Sale Process and the interests promoted thereby, is fair and reasonable in the circumstances, and will achieve the desired benefit without unduly impairing the openness of the Court’s process.

SECURED CREDITORS AND PROPOSED DISTRIBUTIONS

59. The following schedule summarizes the registrations and the claimed indebtedness of the various secured creditors against title to the Real Property (collectively, the “**Secured Creditors**”) based on Information provided to the Receiver. The Receiver notes that SvN Architects + Planners Inc. (“**SvN**”) has security registered only against 674 Essa owned by 285 (the “**Security Registrations**”):

Secured Creditor:	Registration Date	Claimed	
		Indebtedness	Calculated To
PS Holdings	May 13, 2020	\$ 15,398,492	March 10, 2022
RPN Finance Corp. & 1938272 Ontario Inc.	May 13, 2020	1,436,690	March 10, 2022
Computershare Trust Company of Canada	December 3, 2020	339,066	March 10, 2022
SvN Architects + Planners Inc.	March 29, 2021	711,931	February 28, 2022
John DaRe	December 7, 2021	167,655	March 10, 2022
Maria Louise Larsen	December 7, 2021	243,856	March 10, 2022
Total		<u>\$ 18,297,690</u>	

60. The Receiver notes that the above claimed amounts are subject to increase as a result of accruing fees and interest by certain of the Secured Creditors up to the closing of the Transaction.
61. The Receiver has received an independent security opinion from Wildeboer Dellelce LLP, TGF’s real estate counsel, with respect to the Security Registrations. Subject to the usual qualifications, assumptions and disclaimers expected with such an opinion, the opinion confirms the validity and enforceability of the Security Registrations. It also provides details with respect to other specific encumbrances such as reference plans, transfers, bylaws and easements and the Receivership Order.

62. In addition to the Security Registrations, Glen Schnarr & Associates Inc. (“**Schnarr**”) registered a construction lien (the “**Schnarr Lien**”) on the Real Property on January 17, 2022, with respect to professional planning services that were contracted for by 7 Generations relating to the rezoning of the Real Property in the amount of \$20,001.02. A review of the invoices comprising the Schnarr Lien amount reveal that Schnarr invoiced for services performed on November 22, 2021 (i.e., after the Appointment Date). The Schnarr Lien was registered within 60 days of that day and appears to be a valid lien as against the Real Property.
63. As part of its review of the Secured Creditor’s claims, the Receiver requested each of the Secured Creditors to provide it with a payout statement and documentary evidence to support its claim. Since receiving the payout statements, the Receiver has engaged in discussions with, and requested additional information from, certain of the Secured Creditors. The Receiver is undertaking further review in respect of certain amounts being claimed by the Secured Creditors and is endeavouring to finalize its review as soon as possible. Currently, and as detailed below, the amounts that remain in dispute or requiring further support are (i) \$32,000 claimed by RPN Finance Corp. (“**RPN**”) & 1938272 Ontario Inc. (“**193**”) and (ii) \$243,856 claimed by Maria Louise Larsen (collectively, the “**Disputed Amounts**”).
64. Accordingly, forthwith after closing of the Transaction, the Receiver proposes to pay the amounts owing to the Secured Creditors, as set out in the table at paragraph 59 above, less the Disputed Amounts (the “**Approved Distributions**”), and to make further distributions to each of RPN and Ms. Larsen upon satisfactory resolution of the Disputed Amounts.

65. Below is a table that summarizes each of the Secured Creditor’s claims, any concerns raised by the Receiver with respect to same, and details regarding the Disputed Amounts:

Secured Creditor	Description of Claim	Details of Disputed Amount
PS Holdings	Pursuant to two promissory notes (the “Notes”), each dated May 13, 2020, the Debtors, jointly and severally, promised to pay PS Holdings the principal amount of \$13,000,000. As security for the repayment of the indebtedness owing under the Notes, the Debtors granted to PS Holdings, among other security, a first charge against the Real Property.	There is some ambiguity in the wording of the interest provision, particularly as it relates to the compounding of interest. After discussions, the Receiver and PS Holdings settled the interest issue.
RPN	RPN advanced an amount of \$1,200,000 as a second mortgage against the Real Property and registered a charge against the Real Property on May 13, 2020.	The Receiver has requested additional information to support \$32,000 reflected on the payout statement provided to it by RPN, including a \$14,000 “term bonus” and a \$18,000 renewal fee. In late February, counsel for RPN and 193 advised the Receiver that RPN was in the process of purchasing the interest of 193 in their shared mortgage and that RPN would be registering a transfer of charge to remove 193 from title. To date, the Receiver has not received confirmation of that transaction.
Computershare Trust Company of Canada	Equityline Mortgage Investment Corporation (“Equityline”) advanced \$250,000 and registered a third mortgage against the Real Property.	Equityline’s payout statement initially included a three-month penalty in the amount of \$10,112 and \$11,000 in monthly late payment charges.

		<p>Notwithstanding that the loan agreement provided for collection of such an amount, case law and various statutes (Section 17 of the <i>Mortgages Act</i> (Ontario) and Section 8 of the <i>Interest Act</i> (Canada)) do not permit such a three-month interest penalty following maturity over and above the interest that would accrue. Following discussions with the Receiver, Equityline agreed to remove the three-month penalty charges and \$9,900 in late payment fees from its payout statement.</p>
SVN Architects + Planners Inc.	<p>SvN provided services to an entity owned by Mr. Larsen with respect to three different development projects, including the property owned by 285. The outstanding balance owing from all three projects was rolled into one promissory note, at the direction of Mr. Larsen, and that promissory note was executed by him on behalf of 285 in the principal amount of \$665,889.69, which was secured by a charge on the property owned by 285. Only \$145,615 of the amount secured relates to services provided to the property owned by 285.</p>	<p>The Receiver is investigating its ability to pursue a claim for contribution and indemnity from the third party entities with respect to their respective portions of the costs incurred for services rendered by SvN, as to be paid for by 285.</p>
John DaRe	<p>Mr. DaRe provided legal services to the Debtors and obtained a promissory note from the Debtors dated June 16, 2021 in the amount of \$160,986.22 with respect to unpaid legal fees relating to the Debtors and was secured by a charge on the Real Property.</p>	N/A

Maria Louise Larsen	Ms. Larsen has registered a charge against the Real Property in the amount of \$2,500,000. The Receiver has been advised by John DaRe and Ms. Larsen that the amount advanced was \$243,856 at the date of the original purchase of the Real Property by the Debtors.	The Receiver has yet to receive definitive evidence that the funds were advanced from Maria Louise Larsen or a discharge statement satisfactory to the Receiver.
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66. The Receiver obtained Certificates of property tax arrears from the City of Barrie for the Real Property dated December 3, 2021 in the total amount of \$44,546.75 (the “**Tax Arrears**”). Arrears have continued to accrue since that date and are expected to be paid in full upon completion of the Transaction.
67. From the net proceeds of the sale of the Real Property, the Receiver proposes to distribute funds to repay in full, in addition to all outstanding fees and disbursements of the Receiver and TGF, (i) the Receiver’s Borrowing, (ii) the Tax Arrears; (iii) the Approved Distributions to the Secured Creditors pursuant to the Security Registrations; and (iv) the Schnarr Lien. The Receiver proposes to distribute the Disputed Amounts (or the agreed portion thereof) to the Secured Creditors upon receiving satisfactory documentation from the applicable Secured Creditors.

UNSECURED CREDITORS AND INCOME TAXES

Trade Debt

68. Based on the preliminary information provided to the Receiver, the Debtors reported liabilities of approximately \$964,000 owing to its unsecured creditors. This preliminary list of creditors did not include amounts owing by the Debtors to 7 Generations and/or to

those parties that supplied goods and services to 7 Generations in relation to the Real Property pursuant to the Management Agreement.

69. Based on the subsequent information provided to the Receiver by 7 Generations, there is approximately \$1 million in known unsecured liabilities related to the development of the Real Property on the books and records of 7 Generations. 7 Generations may also have a claim against the Debtors for compensation pursuant to the Management Agreement.

Statement of Claim

70. A Statement of Claim (the “**Action**”) has been issued by Morris Group Financial, Inc. (“**Morris**”) against the Debtors, Mr. Larsen and other companies related to Mr. Larsen for breach of contract and liquidated damages in the amount of \$633,750. This proceeding is stayed as a result of the Appointment Order. Counsel for the Debtors in such proceeding is in the process of bringing a motion to be removed as solicitors of record.

71. On March 2, 2022, Morris served the Receiver with a Notice of Motion (the “**Morris Motion**”) for a motion returnable on March 10, 2022 seeking an order from the Court to lift the stay of proceedings to, *inter alia*:

- (a) permit Morris to make a bankruptcy application under section 43 of the BIA in respect of the Debtors; and
- (b) continue the Action against the Debtors.

72. Prior to serving the Morris Motion, Morris’s counsel requested that the Receiver consent to lift the stay of proceedings in connection with the foregoing relief. On February 9, 2022, TGF advised Morris that the Receiver does not consent to such lift stay request for the following reasons: (i) the Receiver has entered into the Purchase Agreement, which would

provide for the repayment of all secured creditors, and possibly unsecured creditors, in full, (ii) the Receiver intends to commence the Claims Process, as detailed below, to determine and resolve all remaining claims against the Debtors, which would include the Action; (iii) the Receiver will make any distributions to both secured and unsecured creditors of the Debtors; (iv) there is no basis for a bankruptcy given that the purchase price of the Transaction is likely to exceed all claims against the Debtors; and (v) there is already a Court-supervised proceeding and the appointment of a trustee in bankruptcy would lead to unnecessary duplication of efforts and costs.

73. The Receiver intends to formally respond to the Morris Motion.

Canada Revenue Agency

74. The Receiver has arranged for online access to the Debtors' accounts and has confirmed that no corporate income tax returns have been filed. The Debtors are annual HST filers and had filed NIL returns for the year ending December 31, 2020. Based on information received from Mr. Larsen, the Receiver filed NIL HST returns for the year 2021.

75. Completion of the Transaction will likely result in taxable income to the Debtors for the 2022 fiscal year.

76. Based on the Receiver's initial consideration of possible corporate income taxes that may become owing by the Debtors in connection with any sale of the Property, the Receiver notes that the realization of the Real Property may lead to corporate income tax implications that could add to the unsecured creditor pool. Given that the Debtors' purchased the Real Property with the sole intent to develop and sell the Real Property, the gain on the sale of the property will likely be treated as regular business income and subject to applicable

business corporate tax rates as opposed to a capital gain or investment tax rates. This tax liability will be subject to the existing priorities and will represent an additional unsecured claim.

CLAIMS PROCESS

77. Unless otherwise defined in this section, capitalized terms not otherwise defined shall have the meaning ascribed to them pursuant to the Claims Process Order.
78. The Receiver has reviewed the books and records provided in respect of the Debtors and 7 Generations and has determined that the records related to the Debtors' payables are insufficient and not reliable. As a result, the Receiver has developed the Claims Process to call for, review and assess the extent of unsecured creditor claims against both (i) the Debtors, and (ii) 7 Generations in respect of Claims related to the Real Property (such Claims, a "**7 Generations Claim**") given that, pursuant to the Management Agreement, the Debtors are liable for such Claims and wishes to ensure that any such creditors are known to the Receiver.
79. Additionally, any tax liability arising from the sale of the Real Property may be reduced by expenses incurred by the Debtors. To enable the Receiver to properly calculate the Debtors' tax liability, the Receiver must conduct the Claims Process to identify all applicable expenses.
80. A summary of the Claims Process is as follows:

- (a) Any Claimant that has a Claim against either the Debtors or as against 7 Generations in relation to the Real Property, with the exception of claims from CRA with respect to any assessments arising from the filing of corporate tax returns filed in relation to the disposition of the Real Property, is required to submit a Proof of Claim to the Receiver by April 29, 2022 (the “**Claims Bar Date**”), failing which, any such Claims as against the Debtors or 7 Generations Claims against 7 Generations shall be extinguished and barred;
- (b) the Claims Process Order approves the forms of Notice to Claimants, Proof of Claim and Notice of Revision or Disallowance for the purpose of administering the Claims Process, and authorizes the Receiver to administer same;
- (c) the Receiver is required to (i) no later than five Business Days following the date of the Claims Process Order, if granted, post a copy of the Claims Process Order, Notice to Claimants and Proof of Claim form on the Receiver’s Website; and send such documents to all known creditors of the Debtors and 7 Generations; and (ii) send a copy of the Claims Package to any Person claiming to be a creditor of the Debtors or 7 Generations;
- (d) the Receiver shall publish and advertise the Notice to Claimants in the *Globe and Mail* as soon as practicable after the date of the Claims Process Order, if granted;
- (e) every Claimant asserting a Claim against the Debtors or 7 Generations is required to set out its Claim in a Proof of Claim, including supporting documentation, and deliver that Proof of Claim to the Receiver so that it is actually received by the Receiver by no later than the Claims Bar Date;
- (f) subject to the terms of the Claims Process Order, the Receiver shall review all Proofs of Claim and may:

- (i) request additional information from a Claimant and /or the Debtors or 7 Generations to assist with such review and assessment;
 - (ii) request that a Claimant file a revised Proof of Claim;
 - (iii) attempt to resolve and settle any issue arising in a Proof of Claim in respect of a Claim;
 - (iv) accept (in whole or in part) the amount of any Claim and notify the Claimant in writing;
 - (v) revise or disallow (in whole or in part) the amount of any Claim by delivering a Notice of Revision or Disallowance to such Claimant; and
 - (vi) consult with 7 Generations and Blake Larsen in respect of any Claims.
- (g) where a Claimant has received a Notice of Revision or Disallowance and wishes to dispute same, it shall file with the Receiver a Dispute Notice by no later than fourteen days upon receipt of the Notice of Revision or Disallowance;
- (h) the Receiver may attempt to resolve the disputed Claim as set out in the Dispute Notice, or refer such disputed Claim to the Court or a Claims Officer for adjudication;
- (i) where a Claim has been accepted by the Receiver, such Claim shall constitute a Proven Claim; and
- (j) the Receiver may from time to time apply to this Court to amend, vary, supplement or replace the Claims Process Order or for advice and directions concerning the discharge of its powers and duties under the Claims Process Order or the interpretation or application of the Claims Process Order.

81. The Receiver is of the view that the implementation of a Claims Process to identify Claims of creditors is appropriate and necessary in the circumstances. The Receiver is therefore

seeking the Court's approval to administer the Claims Process with corresponding powers to determine and settle all Claims against the Debtors and/or 7 Generations in respect of the Real Property, subject to Court supervision and approval.

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

82. Attached hereto as **Appendix "H"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements for the period November 9, 2021 to February 28, 2022 (the "**R&D**"), indicating net receipts of \$10,928.92, excluding the deposit paid by the Purchaser with respect to the Purchase Agreement.
83. As mentioned earlier in this First Report, funding for the ongoing operating expenses of the Receiver was provided pursuant to the Receiver's Borrowing, which is reflected in the R&D.

FEES AND DISBURSEMENTS

84. Attached hereto as **Appendix "I"** is the Fee Affidavit of Deborah Hornbostel, sworn February 24, 2022, which attaches a copy of the Receiver's accounts pertaining to the receivership for the period October 12, 2021 to and including February 22, 2022. In total, the Receiver has charged professional fees in the amount of \$150,029.10, exclusive of HST of \$19,503.78. This represents a total of 263.2 hours at an average rate of \$570 per hour.
85. Attached hereto as **Appendix "J"** is the Fee Affidavit of Robert Thornton, sworn March 3, 2022, which attaches a copy of the accounts of TGF, which reflects the services provided to the Receiver in the amount of \$63,772.50 plus disbursements of \$8,223.85 and applicable taxes in the amount of \$9,334.81 for a total of \$81,331.16 for the period October 12, 2021

to and including February 28, 2022. The disbursements reflect an invoice provided to TGF from Wildeboer Dellelce LLP, its real estate counsel.

86. The Receiver has reviewed the accounts of TGF and, given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work set out in TGF's accounts was carried out and was necessary. The hourly rates of the lawyers and clerks at TGF who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers and clerks with the appropriate levels of experience.

RECOMMENDATION

87. For the reasons discussed in this First Report, the Receiver recommends that the Court grant the requested Approval and Vesting Order and the Claims Process Order.

The Receiver respectfully submits to the Court this First Report, dated March 3, 2022, as amended on March 7, 2022.

**MNP Ltd, in its capacity as the
Court-appointed Receiver of
2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.,
and not in its personal or corporate capacity**

Per:



Sheldon Title CPA, CA, CIRP, LIT
Senior Vice President

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**AMENDED FIRST REPORT OF MNP LTD. AS
RECEIVER OF THE ASSETS, UNDERTAKINGS AND
PROPERTIES OF 2738283 ONTARIO INC., 2738284
ONTARIO INC. AND 2738285 ONTARIO INC.**

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7
Fax: 416-304-1313

Robert I. Thornton (LSO# 41877E)

Tel: 416-304-0560 / Email: rthornton@tgf.ca

Rachel A. Nicholson (LSO# 68348V)

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver, MNP Ltd.

APPENDIX "D"

APPENDIX "D"

Court File No. CV-21-00670723-00CL



Electronically issued : 10-Mar-2022
Délivré par voie électronique :
Toronto

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 10TH
JUSTICE PENNY) DAY OF MARCH, 2022
)

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284
ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as
amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C.
1985, c. B-3, as amended**

APPROVAL AND VESTING ORDER

THIS MOTION, made by MNP Ltd., in its capacity as the Court-appointed receiver of the Respondents (in such capacity, the “**Receiver**”) for an order, *inter alia*: (i) approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Purchase Agreement**”) between the Receiver and 2771280 Ontario Inc. d/b/a Ark Capital Group, as assigned to Essa Rd Development Ltd. (the “**Purchaser**”) dated February 4, 2022, appended to the First Report of the Receiver dated March 3, 2022 (the “**First Report**”), and vesting in the Purchaser all of the Respondents’ right, title and interest in the Purchased Assets (as defined

below); (ii) authorizing the distribution of certain proceeds of sale from the Transaction, as described below; (iii) sealing the confidential appendices attached to the First Report; and (iv) approving the First Report and the activities of the Receiver described therein and the fees of the Receiver and its counsel, was heard this day by Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the First Report and the Appendices thereto, the Fee Affidavit of Deborah Hornbostel sworn February 24, 2022 (the “**Hornbostel Affidavit**”), the Fee Affidavit of Robert Thornton sworn March 3, 2022 (the “**Thornton Affidavit**”) and such further materials as counsel may advise, and on hearing submissions from counsel to the Receiver, counsel to the Purchaser, and counsel to those parties listed on the counsel list for today’s hearing, and no one else appearing for any other interested person, although duly served as evidenced by the Affidavit of Service of Rachel Nicholson sworn March 4, 2022, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the First Report.

APPROVAL OF TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Purchase Agreement and the Transaction be and are hereby approved and that the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver, with the written consent of the Purchaser, may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser, substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Respondents' right, title and interest in and to the real property described in Schedule "B" hereto (together with all buildings thereon, improvements, and chattels situate therein, the "**Purchased Assets**") shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of Justice Penny dated November 9, 2021; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Construction Act* (Ontario), the *Execution Act* (Ontario) or any other personal property registry system; (iii) those Claims listed on Schedule "C" hereto; and (iv) any Claims registered against the Purchased Assets from the date of this Order until the closing date of the Transaction (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto). For greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the registration in the Land Registry Office #51 for the Land Titles Division of Simcoe ("**Land Registry Office**") of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, or, if acceptable to the Land Registry Office, upon presentation of a copy of this Order and the Receiver's Certificate, the Land Registrar is hereby directed to enter the Purchaser as the owner of the Purchased Assets identified in Schedule "B" hereto in fee simple, and is hereby directed to discharge, release, delete and expunge from title to the Purchased Assets all of the Claims and Encumbrances, including those listed in Schedule "C" hereto (except, for greater certainty, the Permitted Encumbrances listed on Schedule "D" hereto).

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

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court with a copy of the Receiver's Certificate forthwith after delivery thereof.

8. **THIS COURT ORDERS** that this Order may be registered on title to the Purchased Assets, separately from the Application for Vesting order, by way of an Application to Register Court Order or an Application to Amend Based on Court Order, if required by the Land Registrar.

9. **THIS COURT ORDERS** that this Order, and any related Application, Notice or other registration, shall be deleted from title to the Purchased Assets after the Purchased Assets are transferred by the Purchaser, to a third party without further application to this Court, and that the Land Registry Office is hereby authorized to delete this Order or any related Application, Notice or other registration from title to the Purchased Assets.

10. **THIS COURT ORDERS** that, notwithstanding:

- a. the pendency of these proceedings;
- b. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") in respect of any of the Respondents and any bankruptcy order issued pursuant to any such applications;
and
- c. any assignment in bankruptcy made in respect of any of the Respondents;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Respondents and shall not be void or voidable by creditors of the Respondents, nor shall it constitute nor be deemed to be a

fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SEALING

11. **THIS COURT ORDERS** that Confidential Appendices “1”, “2”, “3” and “4”, being, respectively, (i) the unredacted ReMax Listing Agreement, (ii) an unredacted summary of the Listing Proposals received from the Brokers, (iii) a summary of the offers received by the bidders in the Sale Process, and (iv) the unredacted Purchase Agreement, are hereby sealed pending closing of the Transaction and further order of the Court, and shall not form part of the public record.

DISTRIBUTIONS

12. **THIS COURT ORDERS** that, upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion, the Receiver is authorized and directed to make the following distributions from the sale proceeds arising from the sale of the Purchased Assets:

- (a) first, repayment of the Receiver’s Borrowing from 683728 Ontario Ltd. in the amount of \$13,500;
- (b) second, the outstanding indebtedness owing to the City of Barrie by the Respondents in respect of property tax arrears in relation to the Purchased Assets;
- (c) third, the outstanding indebtedness owed by the Respondents to PS Holdings 1 LLC, PS Holdings 2 LLC and PS Holdings 3 LLC, in satisfaction in full of their secured claim against the Purchased Assets;
- (d) fourth, the outstanding indebtedness owed by the Respondents to RPN Finance Corp. and 1938272 Ontario Ltd., in satisfaction in full of its secured claim against the Purchased Assets;

- (e) fifth, the outstanding indebtedness owed by the Respondents to Computershare Trust Company of Canada, in satisfaction in full of its secured claim against the Purchased Assets;
- (f) sixth, with respect to the real property municipally known as 674 Essa Road, Barrie, Ontario (the “**Essa Property**”) owned by 2738285 Ontario Inc., the outstanding indebtedness owed by 2738285 Ontario Inc. to SVN Architects + Planners Inc., in satisfaction in full of its secured claim against the Essa Property;
- (g) seventh, the outstanding indebtedness owed by the Respondents to John DaRe, in satisfaction in full of his secured claim against the Purchased Assets;
- (h) eighth, the outstanding indebtedness owed by the Respondents to Maria Louise Larsen, in satisfaction in full of her secured claim against the Purchased Assets; and
- (i) ninth, the outstanding indebtedness owed by the Respondents to Glen Schnarr & Associates Inc. in satisfaction in full of its construction lien claim against the Purchased Assets.

APPROVAL OF ACTIVITIES AND FEES OF THE RECEIVER

13. **THIS COURT ORDERS** that the First Report and the activities, decisions and conduct of the Receiver as set out in the First Report are hereby authorized and approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

14. **THIS COURT ORDERS** that the Receiver’s statement of interim receipts and disbursements for the period November 9, 2021 to February 28, 2022, as set out in the First Report and attached as Appendix “H” to the First Report, is hereby approved.

15. **THIS COURT ORDERS** that the professional fees of the Receiver for the period between October 12, 2021 to February 24, 2022, in the amount of \$150,029.10, plus Harmonized Sales Tax (“**HST**”) of \$19,503.78 as further set out in the First Report and the Hornbostel Affidavit attached as Appendix “I” to the First Report, are hereby approved.

16. **THIS COURT ORDERS** that the professional fees of Thornton Grout Finnigan LLP, counsel to the Receiver, for the period between October 12, 2021, to February 28, 2022, in the amount of \$63,772.50, plus disbursements of \$8,223.85 and HST of \$9,334.81, for a total of \$81,331.16, as further set out in the First Report and the Thornton Affidavit attached as Appendix “J” to the First Report, are hereby approved.

GENERAL

17. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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 and its agents 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.



Schedule “A”

Form of Receiver’s Certificate

Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (the “**Court**”) dated November 9, 2021, MNP Ltd. was appointed as the receiver (the “**Receiver**”) of certain of the undertakings, properties and assets of the Respondents hereto.

B. Pursuant to an Order of the Court dated March 10, 2022 (the “**Approval and Vesting Order**”), the Court approved the asset purchase agreement (the “**Purchase Agreement**”) between the Receiver and 2771280 Ontario Inc. d/b/a Ark Capital Group, as assigned to Essa Rd Development Ltd. (the “**Purchaser**”) dated February 4, 2022 and provided for the vesting in the Purchaser of the Respondents’ right, title and interest in and to the real property set forth in Schedule “B” to the Approval and Vesting Order (together with all buildings thereon, improvements and chattels situate therein, the “**Purchased Assets**”) which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased

Assets; (ii) that the conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction contemplated under the Purchase Agreement has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, as applicable; and
3. The transaction contemplated by the Purchase Agreement has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

MNP LTD., in its capacity as Receiver of the undertaking, property and assets of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule "B"

Purchased Assets

1. The real property municipally known as **320 Maplevue Drive West, Barrie, Ontario**, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1071059 EXCEPT PT 62 PL 51R24730, PTS 1 TO 5 INCL. PL 51R31988 & PTS 2 TO 4 INCL. PL 51R34959, S/T RO1272147; BARRIE, being all of PIN 58730 - 0303 (LT);
2. The real property municipally known as **366 Maplevue Drive West / 692 Essa Road, Barrie Ontario**, which is legally described as CONSOLIDATION OF VARIOUS PROPERTIES PT LT 3 CON 12 INNISFIL BEING PT 1 PL 51R32435 & PT LTS 3 & 4 CON 12 INNISFIL BEING PTS 1 & 2 PL 51R25124, EXCEPT PT 1 PL 51R33177, S/T RO990763; INNISFIL, being all of PIN 58730 - 0304 (LT);
3. The real property municipally known as **664 Essa Road, Barrie, Ontario**, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1278789 EXCEPT PT 6 PL 51R31988; BARRIE, being all of PIN 58730 - 0240 (LT); and
4. The real property municipally known as **674 Essa Road, Barrie, Ontario**, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1244213 EXCEPT PT 61 51R24730 AND PT 251R33177; S/T RO1272150; BARRIE, being all of PIN 58730 - 0297 (LT).

Schedule "C"

Claims to be discharged, released, deleted and expunged from title to the Purchased Assets

Claims to be discharged, released, deleted and expunged from PIN 58730-0297 (LT):

1. Instrument No. SC1680318 registered May 13, 2020 being a Charge/Mortgage of Land from the Respondents in favour of the Applicants securing the principal sum of \$13,000,000.
2. Instrument No. SC1680319 registered May 13, 2020 being a Charge/Mortgage of Land from the Respondents in favour of RPN Finance Corp. and 1938272 Ontario Limited securing the principal sum of \$1,200,000.
3. Instrument No. SC1680320 registered May 13, 2020 being a Notice of Assignment of Rents – General from the Respondents in favour of RPN Finance Corp. and 1938272 Ontario Limited.
4. Instrument No. SC1735715 registered December 3, 2020 being a Charge/Mortgage of Land from the Respondents in favour of Computershare Trust Company of Canada securing the principal sum of \$250,000.
5. Instrument No. SC1802963 registered July 12, 2021 being a Charge/Mortgage of Land from the Respondents in favour of John DaRe securing the principal sum of \$160,986.
6. Instrument No. SC1802964 registered July 12, 2021 being a Notice of Assignment of Rents – General from the Respondents in favour of John DaRe.
7. Instrument No. SC1802966 registered July 12, 2021 being a Charge/Mortgage of Land from the Respondents in favour of Maria Louise Larsen securing the principal sum of \$2,500,000.
8. Instrument No. SC1802967 registered July 12, 2021 being a Notice of Assignment of Rents – General from the Respondents in favour of Maria Louise Larsen.
9. Instrument No. SC1812249 registered August 6, 2021 being an Application to Change Name.
10. Instrument No. SC1812250 registered August 6, 2021 being an Application to Change Name.
11. Instrument No. SC1812251 registered August 6, 2021 being an Application to Change Name.
12. Instrument No. SC1842984 registered on November 12, 2021 being an Application to register Court Order.

13. Instrument No. SC1766492 registered March 29, 2021 being a Charge/Mortgage of Land from 2738285 Ontario Inc. in favour of SVN Architects + Planners Inc. securing the principal sum of \$665,889.
14. Instrument No. SC1766493 registered March 29, 2021 being a Notice of Assignment of Rents – General from 2738285 Ontario Inc. in favour of SVN Architects + Planners Inc.
15. Instrument No. SC1861138 registered on January 17, 2022 being a Construction Lien in favour of Glen Schnarr & Associates Inc. in the amount of \$20,001.02.

Claims to be discharged, released, deleted and expunged from PIN 58730-0240 (LT):

1. Instrument No. SC1680318 registered May 13, 2020 being a Charge/Mortgage of Land from the Respondents in favour of the Applicants securing the principal sum of \$13,000,000.
2. Instrument No. SC1680319 registered May 13, 2020 being a Charge/Mortgage of Land from the Respondents in favour of RPN Finance Corp. and 1938272 Ontario Limited securing the principal sum of \$1,200,000.
3. Instrument No. SC1680320 registered May 13, 2020 being a Notice of Assignment of Rents – General from the Respondents in favour of RPN Finance Corp. and 1938272 Ontario Limited.
4. Instrument No. SC1735715 registered December 3, 2020 being a Charge/Mortgage of Land from the Respondents in favour of Computershare Trust Company of Canada securing the principal sum of \$250,000.
5. Instrument No. SC1802963 registered July 12, 2021 being a Charge/Mortgage of Land from the Respondents in favour of John DaRe securing the principal sum of \$160,986.
6. Instrument No. SC1802964 registered July 12, 2021 being a Notice of Assignment of Rents – General from the Respondents in favour of John DaRe.
7. Instrument No. SC1802966 registered July 12, 2021 being a Charge/Mortgage of Land from the Respondents in favour of Maria Louise Larsen securing the principal sum of \$2,500,000.
8. Instrument No. SC1802967 registered July 12, 2021 being a Notice of Assignment of Rents – General from the Respondents in favour of Maria Louise Larsen.
9. Instrument No. SC1812249 registered August 6, 2021 being an Application to Change Name.
10. Instrument No. SC1812250 registered August 6, 2021 being an Application to Change Name.

11. Instrument No. SC1812251 registered August 6, 2021 being an Application to Change Name.
12. Instrument No. SC1842984 registered on November 12, 2021 being an Application to register Court Order.
13. Instrument No. SC1861137 registered on January 17, 2022 being a Construction Lien in favour of Glen Schnarr & Associates Inc. in the amount of \$20,001.02.

Claims to be discharged, released, deleted and expunged from PIN 58730-0304 (LT):

1. Instrument No. SC1680318 registered May 13, 2020 being a Charge/Mortgage of Land from the Respondents in favour of the Applicants securing the principal sum of \$13,000,000.
2. Instrument No. SC1680319 registered May 13, 2020 being a Charge/Mortgage of Land from the Respondents in favour of RPN Finance Corp. and 1938272 Ontario Limited securing the principal sum of \$1,200,000.
3. Instrument No. SC1680320 registered May 13, 2020 being a Notice of Assignment of Rents – General from the Respondents in favour of RPN Finance Corp. and 1938272 Ontario Limited.
4. Instrument No. SC1735715 registered December 3, 2020 being a Charge/Mortgage of Land from the Respondents in favour of Computershare Trust Company of Canada securing the principal sum of \$250,000.
5. Instrument No. SC1802963 registered July 12, 2021 being a Charge/Mortgage of Land from the Respondents in favour of John DaRe securing the principal sum of \$160,986.
6. Instrument No. SC1802964 registered July 12, 2021 being a Notice of Assignment of Rents – General from the Respondents in favour of John DaRe.
7. Instrument No. SC1802966 registered July 12, 2021 being a Charge/Mortgage of Land from the Respondents in favour of Maria Louise Larsen securing the principal sum of \$2,500,000.
8. Instrument No. SC1802967 registered July 12, 2021 being a Notice of Assignment of Rents – General from the Respondents in favour of Maria Louise Larsen.
9. Instrument No. SC1812249 registered August 6, 2021 being an Application to Change Name.
10. Instrument No. SC1812250 registered August 6, 2021 being an Application to Change Name.

11. Instrument No. SC1812251 registered August 6, 2021 being an Application to Change Name.
12. Instrument No. SC1842984 registered on November 12, 2021 being an Application to register Court Order.
13. Instrument No. SC1861139 registered on January 17, 2022 being a Construction Lien in favour of Glen Schnarr & Associates Inc. in the amount of \$20,001.02.

Claims to be discharged, released, deleted and expunged from PIN 58730-0303 (LT):

1. Instrument No. SC1680318 registered May 13, 2020 being a Charge/Mortgage of Land from the Respondents in favour of the Applicants securing the principal sum of \$13,000,000.
2. Instrument No. SC1680319 registered May 13, 2020 being a Charge/Mortgage of Land from the Respondents in favour of RPN Finance Corp. and 1938272 Ontario Limited securing the principal sum of \$1,200,000.
3. Instrument No. SC1680320 registered May 13, 2020 being a Notice of Assignment of Rents – General from the Respondents in favour of RPN Finance Corp. and 1938272 Ontario Limited.
4. Instrument No. SC1735715 registered December 3, 2020 being a Charge/Mortgage of Land from the Respondents in favour of Computershare Trust Company of Canada securing the principal sum of \$250,000.
5. Instrument No. SC1802963 registered July 12, 2021 being a Charge/Mortgage of Land from the Respondents in favour of John DaRe securing the principal sum of \$160,986.
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8. Instrument No. SC1802967 registered July 12, 2021 being a Notice of Assignment of Rents – General from the Respondents in favour of Maria Louise Larsen.
9. Instrument No. SC1812249 registered August 6, 2021 being an Application to Change Name.
10. Instrument No. SC1812250 registered August 6, 2021 being an Application to Change Name.

11. Instrument No. SC1812251 registered August 6, 2021 being an Application to Change Name.
12. Instrument No. SC1842984 registered on November 12, 2021 being an Application to register Court Order.
13. Instrument No. SC1861139 registered on January 17, 2022 being a Construction Lien in favour of Glen Schnarr & Associates Inc. in the amount of \$20,001.02.

Schedule "D"

Permitted Encumbrances, Easements and Restrictive Covenants related to the Purchased Assets

(unaffected by the Vesting Order)

Any of the following encumbrances:

1. Minor Encroachments: Minor encroachments from the real property over neighbouring lands and/or permitted under agreements with neighbouring landowners and any fences or concrete curbs and minor encroachments over the real property from neighbouring land and/or permitted under agreements with neighbouring landowners and any fences and concrete curbs.
2. Crown Grant: Any subsisting restrictions, exceptions, reservations, limitation, provisos and conditions (including, with limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown of the lands comprising the real property and any statutory limitations, exceptions, reservations and qualifications.
3. Restrictions, Zoning, etc.: Zoning, land use and building restrictions, by-laws, regulations and ordinances of any Governmental Authority, including municipal by-laws and regulations, airport zoning regulations, restrictive covenants and other land use limitations in favour of or imposed or reserved by any Governmental Authority.
4. Work Order: Any and all Work Orders issued by any Governmental Authority.
5. Easements: Any unregistered or registered easements required for the supply of domestic utility services to the real property.
6. Survey matters: Encroachments, deficiencies or other matters disclosed by any plan of survey in respect of the real property or any part thereof.
7. Taxes/Utilities: Encumbrances or prior claims for real property taxes (which term includes charges, rates and assessments) or charges or levies for electricity, power, gas, water and other services and utilities in connection with the real property that have accrued but are not yet due and owing or, if due and owing, are adjusted for on Closing.
8. Restrictive Covenants: Restrictive covenants, private deed restrictions, rights-of-way, facility cost sharing agreements, servicing agreements, crane swing/tie back agreements, reciprocal use agreements or other similar land use control agreements or rights in land (including, without limitation, restrictions, rights-of-way and servitudes for sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to other persons or property, or reserved by other persons or the benefit of other property.

9. Applicable Laws: The provisions of all Applicable Laws, including by-laws, regulations, ordinances and similar instruments relating to development and zoning at the real property.
10. Land Titles Act: The exceptions and qualifications contained in Section 44 of the *Land Titles Act* (Ontario), save and except paragraph 5 thereof relating to the *Family Law Act*, paragraph 11 thereof respecting the *Planning Act* (Ontario) and escheats/forfeiture to the Crown.
11. Registered Agreements: Registered agreements with any Governmental Authorities or public utilities, including subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements.
12. Leases of real property: Any leases in respect of the real property to be assigned to the Purchaser.

Specific Permitted Encumbrances on PIN 58730-0297 (LT):

1. Instrument No. RO1133920 registered December 4, 1990 being a Bylaw of the City of Barrie.
2. Instrument No. RO1272150 registered November 30, 1994 being a Transfer Easement in favour of the Corporation of the City of Barrie to construct and maintain a watercourse and sanitary sewer and pipes for a sanitary sewer with access for workmen and agents.

Specific Permitted Encumbrances on PIN 58730-0304 (LT):

1. Instrument No. RO990763 registered February 23, 1988 being a Transfer Easement in favour of Bell Canada to construct and maintain telephone and telecommunication facilities.

Specific Permitted Encumbrances on PIN 58730-0303 (LT):

1. Instrument No. RO1133920 registered December 4, 1990 being a Bylaw of the City of Barrie.
2. Instrument No. RO1272147 registered November 30, 1994 being a Transfer Easement in favour of the Corporation of the City of Barrie to construct and maintain a watercourse and sanitary sewer and pipes for a sanitary sewer with access for workmen and agents.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended,
and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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Lawyers for the Court-Appointed Receiver, MNP Ltd.

APPENDIX "E"

APPENDIX "E"

Court File No. CV-21-00670723-00CL



Electronically issued : 11-Mar-2022
Délivré par voie électronique
Toronto

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	FRIDAY, THE 11TH
JUSTICE PENNY)	DAY OF MARCH, 2022
)	

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

AND IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

CLAIMS PROCESS ORDER

THIS MOTION made by MNP Ltd., in its capacity as receiver of the Respondents (in such capacity, the “**Receiver**”) for an order approving a claims process in respect of (i) the Respondents, and (ii) 7 Generations Development Group Limited (“**7 Generations**”) solely with respect to Claims related to the Real Property, was heard this day by Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the First Report of the Receiver dated March 3, 2022 (the “**First Report**”), and the Appendices thereto, and on hearing the submissions of counsel for the Receiver and counsel to those parties listed on the counsel slip for today’s hearing, and no one else appearing for any other interested person, although duly served as evidenced by the Affidavit of Service of Rachel Nicholson sworn March 4, 2022, filed.

SERVICE

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

DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that, unless otherwise defined herein, capitalized terms used in this Order shall have the meanings ascribed to them in Schedule “A” to this Order.

3. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day, unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”.

5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

GENERAL PROVISIONS

6. **THIS COURT ORDERS** that the Receiver is hereby authorized to use its reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to the completion and execution of such forms, or request any further documentation from a Person that

the Receiver may require in order to enable the Receiver to determine the validity or quantum of a Claim.

7. **THIS COURT ORDERS** that if any Claim arose in a currency other than Canadian Dollars, then the Person making the Claim shall complete its Proof of Claim and indicate the amount of the Claim in such currency, rather than in Canadian Dollars or any other currency. Where no currency is indicated, the Claim shall be presumed to be in Canadian Dollars. The Receiver shall subsequently calculate the amount of such Claim in Canadian Dollars, using the Bank of Canada Canadian Dollar Daily Exchange Rate on the date of the Receivership Order.

8. **THIS COURT ORDERS** that the form and substance of each of the Notice to Claimants, Proof of Claim, Notice of Revision or Disallowance and Dispute Notice, substantially in the forms attached as Schedules “B”, “C”, “D” and “E”, respectively, to this Order are hereby approved. Notwithstanding the foregoing, the Receiver may from time to time make changes to such forms as the Receiver considers necessary or advisable.

RECEIVER’S ROLE

9. **THIS COURT ORDERS** that the Receiver, in addition to its prescribed rights, duties, responsibilities and obligations under the Receivership Order, shall take all actions and fulfill any other roles as are authorized by this Order or incidental thereto, including the determination of Claims and referral of any Claim to the Court or a Claims Officer, as herein provided.

10. **THIS COURT ORDERS** that: (i) in carrying out the terms of this Order, the Receiver shall have all of the protections given to it by the Receivership Order and this Order, (ii) the Receiver shall incur no liability or obligation as a result of carrying out the provisions of this Order, except for claims for gross negligence or wilful misconduct, (iii) the Receiver shall be entitled to rely on the books and records of the Respondents, all without further independent investigation, (iv) 7 Generations shall provide unfettered access to its books and records to the Receiver, at the Receiver’s request, in order for the Receiver to assess and consider any 7 Generations Claim asserted in a Proof of Claim and the Receiver shall be entitled to rely on such books and records of 7 Generations, all without further independent investigation; (v) Blake Larsen and 7 Generations shall consult with the Receiver, at the Receiver’s request, in respect of any Claims asserted in a

Proof of Claim and the Receiver shall be entitled to rely on such discussions and information provided to the Receiver, all without further independent investigation, and (vi) the Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information or in any information provided by any Claimant, except for claims based for gross negligence or wilful misconduct.

NOTICE TO CLAIMANTS

11. **THIS COURT ORDERS** that:

- (a) the Receiver shall, no later than five (5) Business Days following the date of granting this Order, post a copy of this Order, the Notice to Claimants, and a blank proof of claim form (the “**Claims Package**”) on the Receiver’s Website;
- (b) the Receiver shall, no later than five (5) Business Days following the date of granting this Order, send a copy of the Claims Package to all known creditors of the Respondents and 7 Generations;
- (c) as soon as practicable after the granting of this Order, the Receiver shall, for one business day, publish the Notice to Claimants in the *Globe and Mail*; and
- (d) the Receiver shall deliver, as soon as reasonably practicable following a request, a Claims Package to any Person claiming to be a creditor of any of the Respondents or 7 Generations (solely with respect to the Real Property), provided such request is received before the Claims Bar Date.

12. **THIS COURT ORDERS** that, except as specifically provided for in this Order, the Receiver is not under any obligation to provide notice of this Order to any Person having or asserting a Claim, and all Persons shall be bound by the Claims Bar Date, this Order, and any notices published pursuant to paragraphs 11(a) and (b) of this Order, regardless of whether or not they received actual notice, and any steps taken in respect of any Claim, in accordance with this Order.

13. **THIS COURT ORDERS** that neither: (i) the reference to a purported Claim as a “Claim” or a purported Claimant as a “Claimant” in this Order, nor (ii) the delivery of a Proof of Claim by the Receiver to a Person shall constitute an admission by the Receiver, the Respondents or 7 Generations of any obligation of the Respondents or 7 Generations, as applicable, to any Person.

PROOFS OF CLAIM

14. **THIS COURT ORDERS** that any Claimant that intends to assert a Claim shall file a Proof of Claim, together with any supporting documentation, with the Receiver by email, prepaid ordinary mail, courier, or personal delivery on or before the Claims Bar Date. For the avoidance of doubt, the Proof of Claim must be filed with the Receiver by every Claimant, regardless of whether or not a legal proceeding in respect of such Claim has been previously commenced. The Receiver shall be authorized to provide a list of the Claimants that have filed a Proof of Claim to Blake Larsen and 7 Generations, along with the quantum of such Claimant’s Claim(s), and, upon request and execution of any applicable confidentiality agreement, provide a copy of any Proofs of Claim filed to Blake Larsen and 7 Generations.

CLAIMS BAR DATE

15. **THIS COURT ORDERS** that, subject to further order of this Court, any Claimant who does not deliver a Proof of Claim, together with supporting documentation, on or before the Claims Bar Date: (a) shall be and is hereby forever barred from making or enforcing such Claim, and all such Claims shall be forever extinguished, (b) shall not be entitled to receive any distribution pursuant to the Claims Process or further Order of this Court, and (c) shall not be entitled to any further notice in the Claims Process, and shall not be entitled to participate as a Claimant in respect of such Claim.

16. **THIS COURT ORDERS** that, subject to further order of the Court, the Claims Bar Date shall be 5:00 p.m. (Toronto time) on April 29, 2022.

17. **THIS COURT ORDERS** that each Person required by this Order to file a Proof of Claim shall include any and all Claims it asserts against any of the Respondents and/or 7 Generations in a single Proof of Claim.

DETERMINATION OF CLAIMS

18. **THIS COURT ORDERS** that, subject to the terms of this Order, the Receiver shall review all Proof of Claims filed on or before the Claims Bar Date and may accept, revise, or disallow (in whole or in part) the amount, or any other aspect of, a Claim asserted in a Proof of Claim, subject to the provisions of this Order. The Receiver shall be authorized to consult with Blake Larsen in respect of any Claim(s) asserted in a Proof of Claim. At any time, the Receiver may: (i) request additional information with respect to any Claim, (ii) request that the Claimant file a revised Proof of Claim, (iii) attempt to consensually resolve the amount or any other aspect of a Claim, or (iv) revise or disallow a Claim.

19. **THIS COURT ORDERS** that, prior to accepting a Claim in excess of \$20,000, the Receiver shall first provide a copy of the Proof of Claim to Blake Larsen who shall be entitled to issue a written objection to the Receiver's acceptance of the Claim, including detailed reasons and documentary evidence supporting same (a "**Larsen Objection**"), which must be delivered to the Receiver by no later than fourteen (14) calendar days after receipt of the Proof of Claim by Blake Larsen. In the event that a Larsen Objection is not delivered by such date, the Receiver shall be authorized to proceed with its acceptance of the Claim. In the event that a Larsen Objection is timely received by the Receiver, the Receiver shall attempt to consensually resolve the Larsen Objection, failing which, the Receiver shall be entitled to seek direction from this Court, or revise or disallow the disputed Claim.

20. **THIS COURT ORDERS** that where a Claim is revised or disallowed pursuant to paragraph 18 of this Order, the Receiver shall deliver to the Claimant a Notice of Revision or Disallowance and attach the form of Dispute Notice. The Receiver shall be authorized to send a copy of such Notice of Revision or Disallowance to Blake Larsen and 7 Generations, upon the execution of a confidentiality agreement, if applicable.

21. **THIS COURT ORDERS** that where a Claim has been accepted by the Receiver in accordance with this Order, such Claim shall constitute a Proven Claim for the purposes of the Claims Process. The acceptance of any Claim or other determination of same in accordance with

this Order, in whole or in part, shall not constitute an admission of any fact, thing, obligation, or quantum of any Claim by any Person, save and except in the context of the Claims Process.

DISPUTE NOTICE

22. **THIS COURT ORDERS** that a Claimant who intends to dispute a Notice of Revision or Disallowance shall deliver a Dispute Notice to the Receiver so that it is received by the Receiver no later than fourteen (14) calendar days after such Claimant is deemed to have received the Notice of Revision or Disallowance in accordance with paragraph 33 of this Order, or such longer period as may be agreed to by the Receiver in writing. The receipt of a Dispute Notice by the Receiver within the fourteen (14) calendar day period specified in this paragraph shall constitute an application to have the amount of such Claim determined pursuant to the Claims Process provided for in this Order.

23. **THIS COURT ORDERS** that where a Claimant fails to deliver a Dispute Notice in accordance with paragraph 22 of this Order, the amount of such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance. Such amount, if any, shall constitute such Claimant's Proven Claim, and the balance of such Claimant's Claim, if any, shall be forever barred and extinguished.

24. **THIS COURT ORDERS** that where a Claim has been revised or disallowed pursuant to paragraph 20 of this Order, the revised or disallowed Claim (or revised or disallowed portion thereof) shall not be a Proven Claim until determined otherwise in accordance with the Claims Process set out in this Order or as otherwise ordered by the Court.

RESOLUTION OF CLAIMS

25. **THIS COURT ORDERS** that as soon as practicable after a Dispute Notice is received by the Receiver in accordance with this Order, the Receiver may attempt to resolve and settle a disputed Claim with the Claimant and may consult with Blake Larsen.

26. **THIS COURT ORDERS** that in the event that the Receiver is unable to consensually resolve any Dispute Notice within a reasonable time period satisfactory to the Receiver, the

Receiver shall, at its election, refer the dispute raised in the Dispute Notice to the Court or a Claims Officer for adjudication, and the Receiver shall send written notice of such referral to the Claimant.

27. **THIS COURT ORDERS** that, where a disputed Claim has been referred to a Claims Officer by the Receiver, the Claims Officer shall determine the validity and amount of such disputed Claim in accordance with this Order and shall provide written reasons. Where a disputed Claim has been referred to a Claims Officer, the Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including any participation rights for any stakeholder and the manner in which any evidence may be adduced. The Claims Officer shall have the discretion to mediate any dispute that is referred to such Claims Officer at its election. The Claims Officer shall also have the discretion to determine by whom and to what extent the costs of any hearing or mediation before a Claims Officer shall be paid. Blake Larsen and 7 Generations shall be permitted to attend and participate in the adjudication process before the Claims Officer, at its own expense.

28. **THIS COURT ORDERS** that the Receiver or the Claimant, or, with respect to a 7 Generations Claim, 7 Generations, may, within ten (10) days of such party receiving notice of a Claims Officer's determination of the amount of a Claimant's Claim or any other matter determined by the Claims Officer in accordance with this Order, appeal such determination to the Court by filing a notice of appeal, and the appeal shall be initially returnable for scheduling purposes within ten (10) days of filing such notice of appeal.

29. **THIS COURT ORDERS** that, if no party appeals any determination of any Claims Officer within the time set out in paragraph 28 above, the decision of the Claims Officer in determining the amount of the Claimant's Claim or any other matter determined by the Claims Officer in accordance with paragraph 27 shall be final and binding upon the applicable parties and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of a Claim.

NOTICE OF TRANSFEREES

30. **THIS COURT ORDERS** that the Receiver shall not be obligated to send notice to or otherwise deal with a transferee or assignee of a Claim as the Claimant in respect thereof unless

and until: (i) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Receiver, and (ii) the Receiver has acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for all purposes hereof constitute the “Claimant” in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by all notices given or steps taken in respect of such Claim, in accordance with this Order prior to the written acknowledgement by the Receiver of such transfer or assignment.

31. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim, and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to send notice to and to otherwise deal with such Claim only as a whole, and then only to and with the Person last holding such Claim in whole as the Claimant in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with this Order and the Receiver has acknowledged in writing such transfer or assignment, the Person last holding such Claim in whole as the Claimant in respect of such Claim may by notice to the Receiver, in writing, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Claimant, transferee or assignee of the Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

DIRECTIONS

32. **THIS COURT ORDERS** that the Receiver or any other Person with an economic interest in this Claims Process may at any time, and with such notice as the Court may require, seek directions from the Court with respect to this Order and the claims process set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

33. **THIS COURT ORDERS** that the Receiver may, unless otherwise specified by this Order, serve and deliver the Claims Package, and any letters, notices or other documents to Claimants, or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons (with copies to their counsel, if applicable) at the last address shown in the books and records of the Respondents or 7 Generations, as applicable, or set out in such Person's Proof of Claim. Any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to have been received: (i) if sent by ordinary mail, on the third (3rd) Business Day after mailing within Ontario, the fifth (5th) Business Day after mailing within Canada (other than within Ontario), and the tenth (10th) Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by electronic or digital transmission by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day. Notwithstanding anything to the contrary in this Order, Notices of Revision or Disallowance shall be sent only by (i) electronic or digital transmission to a fax number or email address that has been provided in writing by the Claimant, or (ii) courier.

34. **THIS COURT ORDERS** that any notice or other communication (including Proofs of Claim and Dispute Notices) to be given under this Order by any Person to the Receiver shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery or electronic or digital transmission addressed to:

MNP Ltd.
111 Richmond Street West
Toronto, ON, M5H 2G4

Attn: Deborah Hornbostel / Sheldon Title
Telephone: 416-515-3885/ 416-263-6945
Email: deborah.hornbostel@mnp.ca / sheldon.title@mnp.ca

Any such notice or other communication by a Person shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day, or if delivered outside of a normal business hours, the next Business Day.

35. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Order.

MISCELLANEOUS

36. **THIS COURT ORDERS** that notwithstanding any other provision of this Order, the solicitation of Proofs of Claim, and the filing by a Person of any Proof of Claim, shall not, for that reason only, grant any Person any standing in the Receivership Proceeding or rights to a distribution.

37. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

38. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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.



**SCHEDULE “A”
DEFINED TERMS**

- (a) “**7 Generations**” has the meaning set out in the recitals hereto;
- (b) “**Assessments**” means current or future claims of Her Majesty the Queen in Right of Canada or of any province or territory or municipality or any other taxation authority in any Canadian or non-Canadian jurisdiction, including, without limitation, amounts which may arise or have arisen under any current or future notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority, other than any Assessments arising from the filing of corporate tax returns filed with Canada Revenue Agency in relation related to the disposition of the Real Property (such latter Assessments, the “**Real Property Disposition Assessments**”);
- (c) “**Business Day**” means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
- (d) “**Claim**” means, collectively:
 - (i) any right or claim of any Person against any of the Respondents, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Respondent to such Person, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment (other than a Real Property Disposition Assessment), or contract, or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Respondents with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future; and
 - (ii) any right or claim of any Person against 7 Generations, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of 7 Generations to such Person, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent,

matured, unmatured, disputed, undisputed, legal, equitable, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against 7 Generations with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is solely related to services conducted, work performed, or otherwise arising in respect of the Real Property (such Claim being a “**7 Generations Claim**”);

- (e) “**Claims Officer**” means an individual designated by the Receiver to adjudicate disputed Claims, if applicable;
- (f) “**Claims Process**” means the procedures outlined in this Order, including the Schedules to this Order;
- (g) “**Claims Bar Date**” means 5:00 p.m. (Toronto time) on April 29, 2022, or such later date as the Court may order or the Receiver may determine under the authority of this Order;
- (h) “**Claimant**” means any Person asserting a Claim, and includes the transferee or assignee of a Claim, transferred and recognized as a Claimant in accordance with paragraphs 30 to 31 hereof, or a trustee, executor, or other Person acting on behalf of or through such Person;
- (i) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (j) “**Dispute Notice**” means a written notice delivered to the Receiver by a Person who has received a Notice of Revision or Disallowance of that Person’s intention to dispute such Notice of Revision or Disallowance and the reasons for the dispute, substantially in the form attached as Schedule “**E**” hereto;
- (k) “**Notice of Revision or Disallowance**” means a notice informing a Claimant that the Receiver has revised or disallowed all or part of such Claimant’s Claim set out

in such Claimant's Proof of Claim, substantially in the form attached as Schedule "D" hereto;

- (l) "**Person**" is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government authority or any agency, regulatory body, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status, and whether acting on their own or in a representative capacity;
- (m) "**Proof of Claim**" means the proof of claim to be completed and filed by a Claimant setting forth a Claim and which shall include all supporting documentation in respect of such Claim, substantially in the form attached as Schedule "C" hereto;
- (n) "**Proven Claim**" means the amount of a Claimant's Claim, as finally determined under the Claims Process;
- (o) "**Real Property**" shall mean, collectively:
 - (i) The real property municipally known as 320 Mapleview Drive West, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1071059 EXCEPT PT 62 PL 51R24730, PTS 1 TO 5 INCL. PL 51R31988 & PTS 2 TO 4 INCL. PL 51R34959, S/T RO1272147; BARRIE, being all of PIN 58730 - 0303 (LT);
 - (ii) The real property municipally known as 366 Mapleview Drive West / 692 Essa Road, Barrie Ontario, which is legally described as CONSOLIDATION OF VARIOUS PROPERTIES PT LT 3 CON 12 INNISFIL BEING PT 1 PL 51R32435 & PT LTS 3 & 4 CON 12 INNISFIL BEING PTS 1 & 2 PL 51R25124, EXCEPT PT 1 PL 51R33177, S/T RO990763; INNISFIL, being all of PIN 58730 - 0304 (LT);
 - (iii) The real property municipally known as 664 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1278789 EXCEPT PT 6 PL 51R31988; BARRIE, being all of PIN 58730 - 0240 (LT); and
 - (iv) The real property municipally known as 674 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN

RO1244213 EXCEPT PT 61 51R24730 AND PT 251R33177; S/T
RO1272150; BARRIE, being all of PIN 58730 - 0297 (LT).

- (p) **“Receivership Order”** means the order of Mr. Justice Penny dated November 9, 2021, appointing the Receiver and granting the Receiver certain powers;
- (q) **“Receivership Proceeding”** means the proceeding commenced pursuant to the Receivership Order on application by certain secured creditors of the Respondents;
- (r) **“Receiver’s Website”** means <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al>; and
- (s) **“Respondents”** means collectively, 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.

**SCHEDULE “B”
NOTICE TO CLAIMANTS**

Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

RE: NOTICE OF CLAIMS PROCESS

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made March 10, 2022 (the “**Claims Process Order**”). If you believe you are a creditor of 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC. (collectively, the “**Respondents**”) or 7 GENERATIONS DEVELOPMENT GROUP LIMITED (“**7 Generations**”) and together with the Respondents, the “**Claim Parties**”) please continue reading this notice.

A Claims Process has been commenced pursuant to the Claims Process Order. All creditors of (i) the Respondents, or (ii) 7 Generations solely in respect of the real properties set out in Schedule “A” (collectively, the “**Real Property**”) attached hereto are required to submit a Proof of Claim to MNP Ltd., the Court-appointed receiver of the Respondents (in such capacity, the “**Receiver**”) on or before April 29, 2022.

Creditors may obtain the Claims Process Order and a Claims Package from the Receiver’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al> or by contacting the Receiver by telephone at 416-515-3885 or by email at deborah.hornbostel@mnp.ca.

If you are a creditor of any of the Claim Parties and wish to assert a claim, you are required to submit a completed Proof of Claim to the Receiver by **5:00 p.m. (Toronto Time) on April 29, 2022** (the “**Claims Bar Date**”). It is your responsibility to complete the appropriate documents and ensure that the Receiver receives your completed documents by the Claims Bar Date.

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED at Toronto this ____ day of _____, 2022.

Schedule "A"

- (a) The real property municipally known as 320 Mapleview Drive West, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1071059 EXCEPT PT 62 PL 51R24730, PTS 1 TO 5 INCL. PL 51R31988 & PTS 2 TO 4 INCL. PL 51R34959, S/T RO1272147; BARRIE, being all of PIN 58730 - 0303 (LT);
- (b) The real property municipally known as 366 Mapleview Drive West / 692 Essa Road, Barrie Ontario, which is legally described as CONSOLIDATION OF VARIOUS PROPERTIES PT LT 3 CON 12 INNISFIL BEING PT 1 PL 51R32435 & PT LTS 3 & 4 CON 12 INNISFIL BEING PTS 1 & 2 PL 51R25124, EXCEPT PT 1 PL 51R33177, S/T RO990763; INNISFIL, being all of PIN 58730 - 0304 (LT);
- (c) The real property municipally known as 664 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1278789 EXCEPT PT 6 PL 51R31988; BARRIE, being all of PIN 58730 - 0240 (LT); and
- (d) The real property municipally known as 674 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1244213 EXCEPT PT 61 51R24730 AND PT 251R33177; S/T RO1272150; BARRIE, being all of PIN 58730 - 0297 (LT).

**SCHEDULE "C"
PROOF OF CLAIM**

Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

PROOF OF CLAIM

1. PARTICULARS OF CLAIMANT

(a) Full Legal Name of Claimant:

(b) Full Mailing Address of Claimant:

(c) Telephone Number of Claimant:

- (d) Facsimile Number of Claimant: _____
- (e) E-mail Address of Claimant: _____
- (f) Attention (Contact Person): _____

2. PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE:

- (a) Have you acquired this Claim by assignment? Yes No

(if yes, attach documents evidencing assignment)

a. Full Legal Name of original creditor(s): _____

3. PROOF OF CLAIM

THE UNDERSIGNED CERTIFIES AS FOLLOWS:

All capitalized terms not otherwise defined herein have the meanings ascribed to them in the Claims Process Order granted by the Ontario Superior Court of Justice (Commercial List) on March 10, 2022 (the “**Claims Process Order**”).

That I [am a Claimant/hold the position of _____ of the Claimant] [*select applicable*] and have knowledge of all the circumstances connected with the Claim described herein;

That I have knowledge of all the circumstances connected with the Claim described and set out below;

The Respondents and/or 7 Generations Development Group Limited are indebted to the Claimant as follows:

(When completing the Proof of Claim form, please include the exact legal name of the party that you are asserting a Claim against. Any Claims denominated in a foreign currency shall be filed in such currency and will be converted to Canadian Dollars at rates set out in the Claims Process Order.)

	2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.	Amount of Claim
1.		\$
2.		\$
	\$	

	7 Generations Development Group Limited (related to the Real Property)	Amount of Claim
1.		\$
2.		
	\$	

4. PARTICULARS OF CLAIM:

The particulars of the undersigned's total Claim are attached.

(Provide full particulars of the Claim(s) and supporting documentation, including the amount, description of transaction(s) or agreement(s) giving rise to the Claim(s), name of any guarantor(s) which has guaranteed the Claim(s), and amount of Claim(s) allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. With respect to any Claim(s) asserted against 7 Generations Development Group Limited, indicate the nature of such Claim(s) in respect of the Real Property).

5. FILING OF CLAIM

This Proof of Claim must be returned to and received by the Receiver by 5:00 p.m. (Toronto Time) on the Claims Bar Date (April 29, 2022).

In each case, completed forms must be delivered by prepaid registered mail, courier, personal delivery, or email to the Receiver at the following address:

MNP Ltd.
111 Richmond Street West
Toronto, ON, M5H 2G4

LL

Attn: Deborah Hornbostel / Sheldon Title
Telephone: 416-515-3885/ 416-263-6945
Email: deborah.hornbostel@mnp.ca / sheldon.title@mnp.ca

Dated at _____ this _____ day of _____, 2022.

SCHEDULE "D"
NOTICE OF REVISION OR DISALLOWANCE OF CLAIM

Court File No. CV-21-00670723-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

NOTICE OF REVISION OR DISALLOWANCE

TO:

The Receiver has reviewed your Proof of Claim dated _____, 2022, and have revised or rejected your Claim in respect of _____ for the following reasons:

Subject to further dispute by you in accordance with the provisions of the Claims Process Order, your Claim will be allowed as follows:

Respondents / Party	Original Claim Amount	Disallowed Amount	Revised Allowed Amount

If you intend to dispute this Notice of Revision or Disallowance, you must notify the Receiver of such intent by delivery to the Receiver of a Dispute Notice in accordance with the Claims Process Order, such that it is received by the Receiver by 5:00 p.m. no later than fourteen (14) calendar days after you receive such Notice of Revision or Disallowance at the following address by prepaid registered mail, courier, personal delivery, or email:

MNP Ltd.
111 Richmond Street West
Toronto, ON, M5H 2G4

Attn: Deborah Hornbostel / Sheldon Title
Telephone: 416-515-3885/ 416-263-6945
Email: deborah.hornbostel@mnp.ca / sheldon.title@mnp.ca

If you do not deliver a Dispute Notice in accordance with the Claims Process Order, the value of your Claim(s) shall be deemed to be as set out in this Notice of Revision or Disallowance.

DATED at _____ this _____ day of _____, 2022.

**SCHEDULE "E"
DISPUTE NOTICE**

Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

DISPUTE NOTICE

1. PARTICULARS OF CLAIMANT

(b) Full Legal Name of Claimant:

(c) Full Mailing Address of Claimant:

(d) Telephone Number of Claimant:

(e) Facsimile Number of Claimant:

(f) E-mail Address of Claimant: _____

(g) Attention (Contact Person): _____

2. PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE:

(h) Have you acquired this Claim by assignment? Yes No

(if yes, attach documents evidencing assignment)

Full Legal Name of original creditor(s): _____

3. DISPUTE OF REVISION OR DISALLOWANCE OF CLAIM:

(Any Claims denominated in a foreign currency shall be filed in such currency and will be converted to Canadian dollars at the rate set out in the Claims Procedure Order.)

We hereby disagree with the value of our Claim as set out in the Notice of Revision or Disallowance dated _____, as set out below:

Party¹	Claim as Allowed or Revised per Notice of Revision or Disallowance	Claim per Claimant
	\$	\$
	\$	\$
	Total	\$

(Insert particulars of Claim per Notice of Revision or Disallowance, and the value of your Claim as asserted by the Claimant).

¹ Please include the full legal name of the Respondent or 7 Generations Development Group Limited that you are asserting a Claim against.

4. REASONS FOR DISPUTE:

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. The particulars provided must support the value of the Claim, as stated by you in item 2 above).

If you intend to dispute the Notice of Revision or Disallowance, you must notify the Receiver of such intent by delivery to the Receiver of this Dispute Notice in accordance with the Claims Process Order such that it is received by the Receiver by 5:00 p.m. no later than fourteen (14) calendar days after you receive such Notice of Revision or Disallowance at the following address by prepaid registered mail, courier, personal delivery, or email:

MNP Ltd.
111 Richmond Street West
Toronto, ON, M5H 2G4

Attn: Deborah Hornbostel / Sheldon Title
Telephone: 416-515-3885/ 416-263-6945
Email: deborah.hornbostel@mnp.ca / sheldon.title@mnp.ca

DATED at _____ this _____ day of _____, 2022.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended,
and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

CLAIMS PROCESS ORDER

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7
Fax: 416-304-1313

Robert I. Thornton (LSO# 41877E)

Tel: 416-304-0560 / Email: rthornton@tgf.ca

Rachel A. Nicholson (LSO# 68348V)

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver, MNP Ltd.

APPENDIX "F"

APPENDIX "F"

THIS BARE TRUST AGREEMENT MADE THIS 13th DAY OF MAY, 2020

BETWEEN:

2738283 ONTARIO INC., 2738284 ONTARIO INC., and 2738285 ONTARIO INC.

(Hereinafter collectively the "Trustees" or individually the "Trustee")

AND

7 GENERATIONS DEVELOPMENT GROUP LIMITED

(Hereinafter called the "Beneficiary")

WHEREAS the Trustees are the current registered title holder of the lands and premises municipally known as 320 and 366 Mapleview Drive West, Barrie, Ontario, registered in the name of the Trustee 2738283 ONTARIO INC., 664 Essa Road, Barrie, Ontario, registered in the name of the Trustee 2738284 ONTARIO INC., and 674 Essa Road, Barrie, Ontario registered in the name of the Trustee 2738285 ONTARIO INC., (hereinafter referred to as the "Subject Lands");

AND WHEREAS the Trustees hold the Subject Lands as bare trust for the Beneficiary on the terms hereinafter set out;

AND WHEREAS the Subject Lands were purchased by the Trustees on or about the 13th day of May, 2020, and it was the express intention of the Trustees and the Beneficiary that upon the conveyance of the Subject Lands upon them, the Trustees took title to the Subject Lands as bare Trustees in Trust for the Beneficiary.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the covenants and agreements as hereinafter contained and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Beneficiary and the Trustees hereby declare, covenant and agree that the following terms are in effect as follows:

1. That the Trustees hold legal title to the Subject Lands as bare trustees for and solely on behalf of the Beneficiary, with the Beneficiary having beneficial ownership of same.
2. The Trustees shall not transfer, sell, assign, convey, encumber or otherwise deal with or dispose the Subject Lands in any manner unless and until they have received the written consent of the Beneficiary to do so. The Trustees will at the Beneficiary's expense transfer, sell, assign, convey or encumber otherwise deal with or, dispose the Subject Lands in such manner as the Beneficiary has directed or appointed and the Trustees will at all times execute all such documents and do all such acts and things as may be necessary to procure the



appropriate registration or entry to give effect to any such dealings.

3. The Trustees hereby declares that all of the income and proceeds derived from the Subject Lands or any part thereof shall be held in trust by them for the Beneficiary. All expenditures incurred in respect of the Subject Lands shall be borne entirely by the Beneficiary
4. At the written request of the Beneficiary, hereby acknowledged by the Trustees, the Trustees will concurrently with the execution of this Agreement, enter into a Management Services Agreement with the Beneficiary providing for, amongst other things, the Beneficiary to assume control over all matters relating to development and construction of the Subject Lands.
5. The Trustees shall be indemnified and saved harmless by the Beneficiary from all claims, charges, encumbrances, obligations, responsibilities, liabilities, acts or omissions during the entire period of time that the Subject Lands are vested in the Trustees.
6. The Trustees shall not be required to incur any expenditure with respect to the Subject Lands unless and until monies shall have been provided by the Beneficiary for those express purposes.


THIS AGREEMENT shall be binding upon and enure to the benefit of the respect heirs, executors, administrators, successors and assigns of the Beneficiary and the Trustees.

IN WITNESS WHEREOF the Beneficiary and the Trustees have executed this Trust Agreement effective as of the date first above written.

SIGNED SEALED AND DELIVERED
In the presence of

2738283 ONTARIO INC

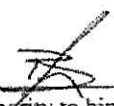
Per:


I have authority to bind the corporation

BLAKE LARSEN

2738284 ONTARIO INC


Per:


I have authority to bind the corporation

BLAKE LARSEN


2738285 ONTARIO INC

Per:


Blake Larsen
I have authority to bind the corporation

7 GENERATIONS DEVELOPMENT GROUP LIMITED

Per:


BLAKE LARSEN
I have authority to bind the corporation

APPENDIX "G"

DIRECT LINE: 416 523 8838

e-mail: bwu@wildlaw.ca

May 30, 2022

VIA E-MAIL

MNP Ltd. in its capacity as Court-Appointed Receiver of certain properties, assets and undertakings of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.

111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4

Attention: Deborah Hornbostel

- AND TO -

Thornton Grout Finnigan LLP
Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, PO Box 329
Toronto, ON M5K 1K7

Attention: Rachel Nicholson

RE: Petromaxx Petroleum Contractors Ltd. / Maria Louise Larsen Security Documents (Court File No. CV-21-00670723-00CL)

We are special real estate counsel to MNP Ltd. (the “**Receiver**”) in its capacity as Court-Appointed Receiver of certain properties, assets and undertakings of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. (collectively, the “**Borrowers**”) and Thornton Grout Finnigan LLP (“**TGF**”), and are assisting with real estate matters in connection with the Borrowers’ receivership proceedings and indebtedness of the Borrowers against the lands and premises municipally know as 664 Essa Road, Barrie, Ontario, 674 Essa Road, Barrie, Ontario, 320 Mapleview Drive West, Barrie, Ontario and 366 Mapleview Drive West, Barrie, Ontario (collectively, the “**Properties**”).

TGF has asked us to review certain documents and information respecting the acquisition of the Properties by the Borrowers in 2020 (the “**Mapleview Transaction**”) and certain funding arrangements and security aspects thereof.

During the course of our review, we made requests to John DaRe (“**DaRe**”), counsel to the Borrowers, Petromaxx Petroleum Contractors Ltd. (“**Petromaxx**”) and Maria Larsen (“**Maria**”), by letters dated April 11, 2022 and May 13, 2022 (collectively, the “**Inquiry Letters**”), both of which are attached hereto.



DaRe responded with letter replies to the Inquiry Letters dated April 14, 2022 and May 17, 2022 (collectively, the “**Reply Letters**”), also attached hereto, along with supporting documentation (the “**Supporting Documentation**”).

We note that we have not reviewed any further security or funding documents for any other fundings to confirm the use and source of equity funds in connection with the Maplevue Transaction, other than the Supporting Documentation.

Based solely and strictly on our review of the correspondence with DaRe including the Supporting Documentation, registered title to the Properties, and telephone calls with TGF and DaRe (collectively, the “**Disclosures**”), we note the following with respect to certain aspects of the Maplevue Transaction, including registered security on title to the Properties in favour of Petromaxx and Maria (the “**Petromaxx Funding**”):

1. The Disclosures indicate that in early 2020, funds from Petromaxx were advanced, to the seller’s counsel as deposit funds, and to the buyer’s counsel for use by the Borrowers, in each case in connection with the Maplevue Transaction.
2. A loan commitment (the “**Loan Commitment**”) and a promissory note, each dated April 30, 2020, were provided in the Disclosures noting that the funds advanced by Maria and Petromaxx were unsecured related party loans. However, we were not provided with any documentation indicating that any security was granted or registered on title to the Properties in favour of either Petromaxx or Maria as of April 30, 2020 (being the date of the Loan Commitment and the promissory note). Furthermore, statements were made by DaRe in the Disclosures that the total amounts funded pursuant to the Loan Commitment and promissory note were used for deposit funds and other capital required in connection with the completion of the Maplevue Transaction. Consequently, the Disclosures, the Loan Commitment and certain other Supporting Documentation confirm that the funds from Petromaxx and Maria represented an unsecured loan that may be secured by real property security in the future.
3. Our review of the record books created for the Maplevue Transaction by DaRe did not reveal any indication that any security was intended to be or was actually registered on title to the Properties at the time of acquisition of the Properties by the Borrowers, although the Loan Commitment contemplated that security in respect of the loans may be obtained from the Borrowers.
4. We understand from TGF that defaults in connection with the Borrower’s obligations to certain of its creditors had occurred and were not rectified by July 2021.
5. The Disclosures included a promissory note dated July 5, 2021 purportedly evidencing the \$2,500,000 of indebtedness owed by the Borrowers to Petromaxx and Maria. DaRe advised that the \$2,500,000 indebtedness was in connection with funds used by the Borrowers for the Maplevue Transaction.
6. In DaRe’s Reply Letter dated April 14, 2022, DaRe advised that the promissory note dated July 5, 2021, was an “up to date” promissory note prepared by his office to support the anticipated registration of a mortgage to secure certain amounts previously advanced by Petromaxx and Maria to the Borrowers pursuant to the Loan Commitment in connection with the Maplevue Transaction.
7. Our understanding based on the Disclosures is that the registration of mortgage security on title to the Properties in July 2021 in connection with the Loan Commitment was either securing an equitable mortgage, related party loans, or characterizing equity capital used for the Maplevue

Transaction (which were allegedly supported by unsecured loan documents, although they were not prepared by transaction counsel for the Maplevue Transaction or included in earlier record books) as secured debt. The Disclosures outline a transaction where the Loan Commitment was entered into at the time of completion of the Maplevue Transaction, therefore being an unsecured loan, supported by future security granted in July, 2021.

8. Notwithstanding that the parties were aware that 7 Generations Development Group Inc. (“**7 Generations**”) was the beneficial owner of the Properties, the Disclosures did not contain any security or loan documents obtained from 7 Generations, save and except for an unsecured guarantee dated April 30, 2020.
9. Based solely on a review of registered title for the Properties, the charge/mortgage of land of the Properties from the Borrowers in favour of Maria registered on July 12, 2021, being Instrument No. SC1802966 (the “**Larsen Mortgage**”) is in fifth priority on the lands and premises comprising the Properties, except for the lands and premises municipally known as 674 Essa Road, Barrie, Ontario, for which the Larsen Mortgage is in sixth priority. While the Larsen Mortgage is registered in the name of “Maria Larsen”, the Loan Commitment provides for the syndication of the loan, and DaRe advised that the Larsen Mortgage secures all amounts owing to Maria and Petromaxx under the Loan Commitment.

The Disclosures further revealed a number of inconsistencies and errors relating to the parties, dates, timelines and attachments of certain documents provided as part of the Supporting Documentation, among other items. Our review and analysis was based on the Disclosures, and the forgoing does not constitute a fulsome or comprehensive summary of the various transactions or issues referred to in this letter.

The forgoing represents our current understanding with respect to the elements of the Maplevue Transaction and the Petromaxx Funding referenced in this letter, does not constitute a legal opinion or factual determination with respect to any item contemplated or referenced herein, and is subject to any further documents or information that may subsequently be available or provided respecting same.

Yours very truly,

WILDEBOER DELLELCE LLP



Brendan Wu
Associate
Attachments

cc: MNP LLP, Attn: Deborah Hornbostel, deborah.Hornbostel@mnp.ca & Sheldon Title, sheldon.title@mnp.ca

April 11, 2022

SENT VIA EMAIL

John DaRe, Barrister and Solicitor
241 Applewood Crescent, Suite 9
Concord, ON L4K 4E6

Attention: John DaRe

Dear John DaRe:

**RE: Petromaxx Petroleum Contractors Ltd. / Maria Louise Larsen Security Documents
(Court File No. CV-21-00670723-00CL)**

We are special real estate counsel for MNP Ltd., in its capacity as Court-appointed Receiver, and not in its personal or corporate capacity (the “**Receiver**”), of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. (collectively, the “**Borrowers**”). Further to your correspondence from March 29 and April 5, 2022 and in connection with the request for payment of certain funds upon the closing of the sale by the Receiver of certain assets, we are providing you with the following list of questions with a view to obtaining all necessary information in order to conduct a fulsome review of the documentation in connection with the charge/mortgage of land of the lands municipally known as 664 Essa Road, 674 Essa Road, 320 Mapleview Drive West and 366 Mapleview Drive West in favour of Maria Louise Larsen registered as instrument no. SC1802966 on July 12, 2021 (the “**Larsen Mortgage**”).

Additionally, we would ask that you please advise us of any new information or amendments to existing information if, as and when it becomes available and provide us with any available additional documentation relating thereto and hereto. Please see below for the matters in respect of which we require additional documentation, information, clarification or confirmation, as the case may be:

1. Please provide bank statements and other documentary support of payments, including but not limited to any and all copies of cheques, deposit slips and/or wire payment confirmations, as applicable, relating to all the incoming and outgoing funds to and from your trust account in connection with the trust ledgers dated June 18, 2020, and January 10, 2022 for file number “2738283 ONTARIOINC” (collectively, the “**Trust Ledgers**”).
2. Please confirm and provide documentary support for the date of receipt by your firm of the \$1,150,000, \$250,000 and \$250,000 payments listed in the Trust Ledgers.
3. We note that you provided a Schedule “A” to a promissory note dated June 5, 2021 (the “**June 2021 Promissory Note**”), but the June 2021 Promissory Note itself was not provided. Please provide a fully executed copy of same.
4. Please explain why Petromaxx Petroleum Contractors Ltd. (“**Petromaxx**”) is a party to the loan commitment dated April 30, 2020 (the “**Loan Commitment**”) but not an addressee under the

promissory note dated April 30, 2020, entered into between Maria Louise Larsen (“**Larsen**”), the Borrowers and Blake Larsen (the “**April 2020 Promissory Note**”)?

5. How is the April 2020 Promissory Note related to the Loan Commitment, if they are related? We note that the April 2020 Promissory Note, is not guaranteed by 7 Generations Development Group Inc., as required pursuant to the Security requirements of the Loan Commitment.
6. You provided an acknowledgement from Maria Larsen dated July 7, 2021, pursuant to which Larsen agreed to act as trustee for Petromaxx. Please advise whether any additional documentation establishing this relationship between Larsen and Petromaxx was prepared and if so, please provide fully executed copies of same. Please further confirm why the acknowledgement was executed 14 months after the Loan Commitment and the April 2020 Promissory Note were executed, particularly since Petromaxx was a party to the Loan Commitment, but not a party to the April 2020 Promissory Note.
7. Why is Petromaxx party to the promissory note dated July 5, 2021 entered into between Larsen, Petromaxx, Petromaxx Construction Ltd., Petromaxx Construction (ON) LLP, Petromaxx Management LLP and Mill Street Ventures GP Ltd., 2738284 Ontario Inc., 2738285 Ontario Inc. and Blake Larsen (the “**July 2021 Promissory Note**” and together with the June 2021 Promissory Note and April 2020 Promissory Note, collectively the “**Promissory Notes**”), but not party to the April 2020 Promissory Note?
8. Please confirm if there were any additional loan commitments or agreements entered into between Petromaxx, Larsen and the Borrowers in connection with any of the other Promissory Notes.
9. Why is 2738283 Ontario Inc. not party to the July 2021 Promissory Note?
10. Why is there a guarantee from 7 Generations Development Group Inc. dated April 30, 2020, for the July 2021 Promissory Note? Why was the guarantee provided 14 months prior to the execution of the July 2021 Promissory Note?
11. Why were Petromaxx Construction Ltd., Petromaxx Construction (ON) LLP, Petromaxx Management LLP and Mill Street Ventures GP Ltd. party to the July 2021 Promissory Note?
12. What portion of the funds from the July 2021 Promissory Note were advanced to 2738284 Ontario Inc. and 2738285 Ontario Inc. and what portion of the funds were advanced to Petromaxx Construction Ltd., Petromaxx Construction (ON) LLP, Petromaxx Management LLP and Mill Street Ventures GP Ltd.?
13. Notwithstanding that 2738283 Ontario Inc. was not a party to the July 2021 Promissory Note, please advise whether any funds provided in connection with the July 2021 Promissory were subsequently advanced to 2738283 Ontario Inc.
14. How are the April 2020 Promissory Note, the June 2021 Promissory Note and the July 2021 Promissory Note related?

15. Do each of the Promissory Notes (defined herein) secure the same \$2,500,000 principal payment? If so, why are there three separate promissory notes, and what documents were entered into or prepared to confirm the restatement of the earlier notes?
16. Why was Petromaxx not included in the \$2,500,000 charge registered on July 12, 2021?
17. Please provide an explanation as to why the charge was registered on title for \$2,500,000 on July 12, 2021, when the April 2020 Promissory Note was executed 14 months prior on April 30, 2020, and the closing of the Maplevue Transaction (as defined herein) occurred on May 13, 2020.
18. We note that the closing book provided in connection with the Borrower's purchase from 2252841 Ontario Inc., 2252848 Ontario Inc. and 2217467 Ontario Inc. of the properties (the "**Maplevue Transaction**") did not include any promissory notes or supporting documentation relating to the \$2,500,000 purportedly advanced by Larsen and Petromaxx pursuant to the Loan Commitment and the April 2020 Promissory Note. Please explain why none of the supporting documentation or promissory notes in connection with this loan were included in the Maplevue Transaction closing/record book, and if so provide copies of any relevant supplementary reporting material.
19. Please provide a copy of the closing/record book in connection with the closing of the \$2,500,000 loan between the Borrowers, Larsen and Petromaxx, if any.
20. We note that Schedule "A" to the June 2021 Promissory Note, characterizes certain payments made by Petromaxx and Larsen as "equity" totalling \$2,543,856.00. Please explain why these payments were characterized as equity and if they were, in fact, equity contributions, as these appear to be characterized as a loan at a future time.
21. Notwithstanding any documentation provided in connection with point 1 above, please provide additional documentation evidencing the additional advances above \$243,000 made in connection with the April 2020 Promissory Note. Such documentation should include:
 - a. Bank statements and proof of payments, including but not limited to paid and cleared cheques, deposit slips and/or wire confirmations, of Petromaxx evidencing outgoing payments made to either you, in trust, or to any or all of the Borrowers;
 - b. Bank statements and proof of payments, including but not limited to paid and cleared cheques, deposit slips and/or wire confirmations, of any or all of the Borrowers evidencing their receipt of funds from Petromaxx; and
 - c. Any legal documentation evidencing the draw down of additional funds pursuant to the April 2020 Promissory note or any other promissory note, as applicable, including but not limited to the board resolutions authorizing the Borrowers to borrow such amounts and the board resolutions of Petromaxx authorizing Petromaxx to lend such amounts.
22. Please confirm whether the \$1,150,000, \$250,000 and \$250,000 payments received in your trust account pursuant to the Trust Ledgers (the "**Trust Account Payments**") were secured by the April 2020 Promissory Note, the June 2021 Promissory Note or the July 2021 Promissory Note.

23. Please confirm whether the Trust Account Payments are the same as the equity payments purportedly sent by Petromaxx in the amounts of \$1,150,000 (received on April 17, 2020), \$250,000 (received on April 20, 2020) and \$250,000 (received on April 22, 2020), as described in Schedule "A" of the June 2021 Promissory Note. If these were different funds than the equity contributions on closing, what was the use of loan proceeds.
24. We note that the April 2020 Promissory Note indicates that Larsen advanced \$243,000 of a maximum of \$2,500,000 to the Borrowers. We further note that the Trust Ledgers indicate that you received \$243,855.73. Please confirm whether these funds are the same. If so, please explain why there was a discrepancy of \$43,855.73 between the two amounts.
25. We note that Larsen provided an acknowledgement to Petromaxx dated July 7, 2021, pursuant to which Larsen acknowledges that \$2,300,000.00 was advanced by Petromaxx. We further note that correspondence from you confirmed that Larsen advanced \$243,000 as part of the \$2,500,000 purported to be owing to Larsen and Petromaxx, collectively. Please explain why the acknowledgement states that \$2,300,000 is outstanding instead of \$2,257,000.
26. We note that pursuant to your correspondence from March 29, 2022, you indicated that Petromaxx provided \$600,000 of the \$2,000,000 deposit which the Borrowers received credit for as a part of the Maplevue Transaction. In connection with the aforementioned \$600,000, please provide all bank statements and proofs of payments, including but not limited to any and all paid and cleared cheques, deposit slips and/or wire payment confirmations, evidencing that \$600,000 of the \$2,000,000 deposit provided to the vendors was provided by Petromaxx.
27. If the \$600,000 of the deposit was funded by Petromaxx prior to the closing of the Maplevue Transaction, why wasn't that amount referenced in the Loan Commitment or the April 2020 Promissory Note as funds already advanced to the Borrowers, if the April 2020 Promissory Note was related to the Loan Commitment? Moreover, if the \$600,000 is not related to the Loan Commitment or the April 2020 Promissory Note, please advise whether any security documentation was prepared between Petromaxx and the Borrowers. If such security documentation was prepared, please provide fully executed copies of same. If such security documentation was not prepared, please advise us as to why it was not.
28. We note that pursuant to Schedule "A" of the June 2021 Promissory Note Petromaxx made a \$250,000 (February 5, 2020) and a \$400,000 (February 18, 2020) payment to Paul Sadlon Solicitor. Please confirm whether these amounts were the same amounts as the purported \$600,000 advance made by Petromaxx in connection with the Maplevue Purchase deposit. If so, please explain the \$50,000 discrepancy.
29. We note that Maria Larsen provided a letter dated December 1, 2021 to the Receiver (the "**Larsen Letter**"), pursuant to which Maria Larsen acknowledged that the sum of \$243,000 was the only amount of money advanced or guaranteed by Larsen, notwithstanding the registration of any loan or mortgage. Please explain why Maria Larsen did not disclose that she was additionally owed approximately \$2,257,000.00 as trustee prior to the sale motion or why Larsen did not disclose that she was acting as a trustee for Petromaxx at that point. Further, please explain why a letter acknowledging the amount owed to Petromaxx was not included along with the April 2020 Promissory Note and the Larsen Letter.

30. Please confirm whether the \$243,000 referenced in the Larsen Letter is the same as the \$243,856 referenced in Schedule "A" to the June 2021 Promissory Note. If so, please explain why there is a discrepancy of \$856.
31. Please confirm whether the \$243,000 referenced in the Larsen Letter is the same as the \$243,855.73 received by you, in trust, pursuant to the Trust Ledgers. If they are the same, please explain the discrepancy of \$855.73 and please explain what the \$243,856 recorded in Schedule "A" of the June 2021 Promissory Note is in reference to.
32. Were the funds advanced pursuant to the April 2020 Promissory Note advanced in separate advances?
33. Who advanced the funds pursuant to the April 2020 Promissory Note and when were the funds advanced? If the funds were advanced in separate advances, please provide a break down of who provided each individual advance and when such advances were received.
34. Who received the funds pursuant to the April 2020 Promissory Note and when were the funds received? If the funds were advanced in separate advances, please provide a break down of who received each individual advance and when such advances were received.
35. How were the funds advanced pursuant to the April 2020 Promissory Note (i.e. by cheque, wire transfer, electronic funds transfer, etc.)? To the extent evidence of such advance or individual advances have not been provided, please provide same (i.e. paid or and cleared cheques or wire confirmations).
36. Were the funds advanced pursuant to the June 2021 Promissory Note advanced in separate advances?
37. Who advanced the funds pursuant to the June 2021 Promissory Note and when were the funds advanced? If the funds were advanced in separate advances, please provide a break down of who provided each individual advance and when such advances were received.
38. Who received the funds pursuant to the June 2021 Promissory Note and when were the funds received? If the funds were advanced in separate advances, please provide a break down of who received each individual advance and when such advances were received.
39. How were the funds advanced pursuant to the June 2021 Promissory Note (i.e. by cheque, wire transfer, electronic funds transfer, etc.)? To the extent evidence of such advance or individual advances have not been provided, please provide same (i.e. paid or and cleared cheques or wire confirmations).
40. Were the funds advanced pursuant to the July 2021 Promissory Note advanced in separate advances?
41. Who advanced the funds pursuant to the July 2021 Promissory Note and when were the funds advanced? If the funds were advanced in separate advances, please provide a break down of who provided each individual advance and when such advances were received.

42. Who received the funds pursuant to the July 2021 Promissory Note and when were the funds received? If the funds were advanced in separate advances, please provide a break down of who received each individual advance and when such advances were received.
43. How were the funds advanced pursuant to the July 2021 Promissory Note (i.e. by cheque, wire transfer, electronic funds transfer, etc.)? To the extent evidence of such advance or individual advances have not been provided, please provide same (i.e. paid or and cleared cheques or wire confirmations).
44. Please provide a breakdown of how the funds advanced pursuant to each of the Promissory Notes were used.
45. Please provide discharge statements in connection with the Larsen Mortgage dated as of March 24, 2022.

Please note that we reserve the right to continue our investigations after reviewing any associated documents or materials. We further reserve the right to conduct additional inquiries and to supplement the above questions.

Sincerely,

WILDEBOER DELLELCE LLP

B. Wu

Brendan Wu

cc: MNP LLP, Attn: Deborah Hornbostel, deborah.Hornbostel@mnp.ca & Sheldon Title, sheldon.title@mnp.ca
cc: Thornton Grout Finnigan LLP, Attn: Rachel Nicholson, rnicholson@tgf.ca

May 13, 2022

SENT VIA EMAIL

John DaRe, Barrister and Solicitor
241 Applewood Crescent, Suite 9
Concord, ON L4K 4E6

Attention: John DaRe

Dear John DaRe:

**RE: Petromaxx Petroleum Contractors Ltd. / Maria Louise Larsen Security Documents
(Court File No. CV-21-00670723-00CL)**

Further to our letter to you dated April 11, 2022 (the “**Request Letter**”), and your letter response dated April 14, 2022 including accompanying documents information (the “**Reply Letter**”), we are responding using the numbering and detail of the Request Letter along with additional responses in **bold** outlining our view of the status of each information request and any response to date.

All capitalized terms used but not defined herein shall have the same meaning as ascribed thereto in the Request Letter.

1. Please provide bank statements and other documentary support of payments, including but not limited to any and all copies of cheques, deposit slips and/or wire payment confirmations, as applicable, relating to all the incoming and outgoing funds to and from your trust account in connection with the trust ledgers dated June 18, 2020, and January 10, 2022 for file number “2738283 ONTARIOINC” (collectively, the “**Trust Ledgers**”).

We confirm receipt of bank statements for your trust account from March 31, 2020 to May 29, 2020. Please provide any further bank statements that correspond to the dates in the trust ledgers. Please also provide copies of the cheques, deposit slips and/or wire payment confirmations, as applicable.

2. Please confirm and provide documentary support for the date of receipt by your firm of the \$1,150,000, \$250,000 and \$250,000 payments listed in the Trust Ledgers.

We confirm receipt of the bank statements for March 31, 2020 to April 30, 2020. Please provide copies of deposit slips and any further documentation.

3. We note that you provided a Schedule “A” to a promissory note dated June 5, 2021 (the “**June 2021 Promissory Note**”), but the June 2021 Promissory Note itself was not provided. Please provide a fully executed copy of same.

We confirm you provided the July 5, 2021 promissory note and confirm that the reference made to June 5, 2021 was a typographical error.

4. Please explain why Petromaxx Petroleum Contractors Ltd. (“**Petromaxx**”) is a party to the loan commitment dated April 30, 2020 (the “**Loan Commitment**”) but not an addressee under the promissory note dated April 30, 2020, entered into between Maria Louise Larsen (“**Larsen**”), the Borrowers and Blake Larsen (the “**April 2020 Promissory Note**”)?

Please provide a response on this item. We note that your Reply Letter did not address same. Kindly advise with respect to this question, including providing any documents similar to the July 5, 2021 acknowledgement.

5. How is the April 2020 Promissory Note related to the Loan Commitment, if they are related? We note that the April 2020 Promissory Note, is not guaranteed by 7 Generations Development Group Inc., as required pursuant to the security requirements of the Loan Commitment.

Please kindly provide a response to this item.

6. You provided an acknowledgement from Maria Larsen dated July 7, 2021, pursuant to which Larsen agreed to act as trustee for Petromaxx. Please advise whether any additional documentation establishing this relationship between Larsen and Petromaxx was prepared and if so, please provide fully executed copies of same. Please further confirm why the acknowledgement was executed 14 months after the Loan Commitment and the April 2020 Promissory Note were executed, particularly since Petromaxx was a party to the Loan Commitment, but not a party to the April 2020 Promissory Note.

Please kindly provide a response to this item.

7. Why is Petromaxx party to the promissory note dated July 5, 2021 entered into between Larsen, Petromaxx, Petromaxx Construction Ltd., Petromaxx Construction (ON) LLP, Petromaxx Management LLP and Mill Street Ventures GP Ltd., 2738284 Ontario Inc., 2738285 Ontario Inc. and Blake Larsen (the “**July 2021 Promissory Note**” and together with the June 2021 Promissory Note and April 2020 Promissory Note, collectively the “**Promissory Notes**”), but not party to the April 2020 Promissory Note?

Please kindly provide a response to this item.

8. Please confirm if there were any additional loan commitments or agreements entered into between Petromaxx, Larsen and the Borrowers in connection with any of the other Promissory Notes.

Please kindly provide a response to this item including details of any trust or similar arrangements.

9. Why is 2738283 Ontario Inc. not party to the July 2021 Promissory Note?

Please kindly provide a response to this item.

10. Why is there a guarantee from 7 Generations Development Group Inc. dated April 30, 2020, for the July 2021 Promissory Note? Why was the guarantee provided 14 months prior to the execution of the July 2021 Promissory Note?

We note that the materials you provided include a signed agreement to guarantee the Loan Agreement signed by 7 Generations Development Group Inc., appended to the Loan Commitment dated April 30, 2020. Please confirm if the inclusion of the guarantee in the July 2021 Promissory note was made in error.

11. Why were Petromaxx Construction Ltd., Petromaxx Construction (ON) LLP, Petromaxx Management LLP and Mill Street Ventures GP Ltd. party to the July 2021 Promissory Note?

Please kindly provide a response to this item.

12. What portion of the funds from the July 2021 Promissory Note were advanced to 2738284 Ontario Inc. and 2738285 Ontario Inc. and what portion of the funds were advanced to Petromaxx Construction Ltd., Petromaxx Construction (ON) LLP, Petromaxx Management LLP and Mill Street Ventures GP Ltd.?

Please kindly provide a response to this item.

13. Notwithstanding that 2738283 Ontario Inc. was not a party to the July 2021 Promissory Note, please advise whether any funds provided in connection with the July 2021 Promissory were subsequently advanced to 2738283 Ontario Inc.

Please kindly provide a response to this item.

14. How are the April 2020 Promissory Note, the June 2021 Promissory Note and the July 2021 Promissory Note related?

We confirm that you have advised there is no June 2021 Promissory Note. We further confirm that you have indicated that the July 2021 Promissory Note was an “up to date promissory note” prepared by your office.

15. Do each of the Promissory Notes (defined herein) secure the same \$2,500,000 principal payment? If so, why are there three separate promissory notes, and what documents were entered into or prepared to confirm the restatement of the earlier notes?

We confirm that you have indicated that the July 2021 Promissory Note was an “up to date promissory note” prepared by your office.

16. Why was Petromaxx not included in the \$2,500,000 charge registered on July 12, 2021?

Please kindly provide a response to this item.

17. Please provide an explanation as to why the charge was registered on title for \$2,500,000 on July 12, 2021, when the April 2020 Promissory Note was executed 14 months prior on April 30, 2020, and the closing of the Maplevue Transaction (as defined herein) occurred on May 13, 2020.

Thank you for the clarifying information in your Reply Letter and on our follow up call. You advised that the funds were initially advanced with the intention of being an “equitable mortgage” and that security in respect of same was completed at a later date.

18. We note that the closing book provided in connection with the Borrower’s purchase from 2252841 Ontario Inc., 2252848 Ontario Inc. and 2217467 Ontario Inc. of the properties (the “**Mapleview Transaction**”) did not include any promissory notes or supporting documentation relating to the \$2,500,000 purportedly advanced by Larsen and Petromaxx pursuant to the Loan Commitment and the April 2020 Promissory Note. Please explain why none of the supporting documentation or promissory notes in connection with this loan were included in the Mapleview Transaction closing/record book, and if so provide copies of any relevant supplementary reporting material.

Please kindly advise regarding this point. To the extent a separate record book was prepared in connection with the closing of the Mapleview Transaction, please provide same and kindly advise when such record book was compiled.

19. Please provide a copy of the closing/record book in connection with the closing of the \$2,500,000 loan between the Borrowers, Larsen and Petromaxx, if any.

Please kindly see our response to question 18, above.

20. We note that Schedule “A” to the June 2021 Promissory Note, characterizes certain payments made by Petromaxx and Larsen as “equity” totalling \$2,543,856.00. Please explain why these payments were characterized as equity and if they were, in fact, equity contributions, as these appear to be characterized as a loan at a future time.

Thank you for the comments in your Reply Letter confirming that the funds were used in connection with the acquisition of the purchased property.

21. Notwithstanding any documentation provided in connection with point 1 above, please provide additional documentation evidencing the additional advances above \$243,000 made in connection with the April 2020 Promissory Note. Such documentation should include:
- a. Bank statements and proof of payments, including but not limited to paid and cleared cheques, deposit slips and/or wire confirmations, of Petromaxx evidencing outgoing payments made to either you, in trust, or to any or all of the Borrowers;
 - b. Bank statements and proof of payments, including but not limited to paid and cleared cheques, deposit slips and/or wire confirmations, of any or all of the Borrowers evidencing their receipt of funds from Petromaxx; and
 - c. Any legal documentation evidencing the draw down of additional funds pursuant to the April 2020 Promissory note or any other promissory note, as applicable, including but not limited to the board resolutions authorizing the Borrowers to borrow such amounts and the board resolutions of Petromaxx authorizing Petromaxx to lend such amounts.

Please kindly provide a response to this item.

22. Please confirm whether the \$1,150,000, \$250,000 and \$250,000 payments received in your trust account pursuant to the Trust Ledgers (the “**Trust Account Payments**”) were secured by the April 2020 Promissory Note, the June 2021 Promissory Note or the July 2021 Promissory Note.

We confirm that you have advised there is no June 2021 Promissory Note. We further confirm that you have indicated that the July 2021 Promissory Note was an “up to date promissory note” prepared by your office.

23. Please confirm whether the Trust Account Payments are the same as the equity payments purportedly sent by Petromaxx in the amounts of \$1,150,000 (received on April 17, 2020), \$250,000 (received on April 20, 2020) and \$250,000 (received on April 22, 2020), as described in Schedule “A” of the June 2021 Promissory Note. If these were different funds than the equity contributions on closing, what was the use of loan proceeds.

Thank you for the comments in your Reply Letter confirming that the funds were used in connection with the acquisition of the purchased property.

24. We note that the April 2020 Promissory Note indicates that Larsen advanced \$243,000 of a maximum of \$2,500,000 to the Borrowers. We further note that the Trust Ledgers indicate that you received \$243,855.73. Please confirm whether these funds are the same. If so, please explain why there was a discrepancy of \$855.73 between the two amounts.

We note that there was an inadvertent typographical error in a number in our previous Request Letter. Kindly provide any clarifying information respecting this inquiry.

25. We note that Larsen provided an acknowledgement to Petromaxx dated July 7, 2021, pursuant to which Larsen acknowledges that \$2,300,000.00 was advanced by Petromaxx. We further note that correspondence from you confirmed that Larsen advanced \$243,000 as part of the \$2,500,000 purported to be owing to Larsen and Petromaxx, collectively. Please explain why the acknowledgement states that \$2,300,000 is outstanding instead of \$2,257,000.

Please kindly provide a response to this item.

26. We note that pursuant to your correspondence from March 29, 2022, you indicated that Petromaxx provided \$600,000 of the \$2,000,000 deposit which the Borrowers received credit for as a part of the Maplevue Transaction. In connection with the aforementioned \$600,000, please provide all bank statements and proofs of payments, including but not limited to any and all paid and cleared cheques, deposit slips and/or wire payment confirmations, evidencing that \$600,000 of the \$2,000,000 deposit provided to the vendors was provided by Petromaxx.

We confirm receipt of the bank statements for the period beginning on March 31, 2020 and ending on April 30, 2020 and for the period beginning on April 30, 2020 and ending on May 29, 2020, please provide the corresponding deposit slips.

27. If the \$600,000 of the deposit was funded by Petromaxx prior to the closing of the Maplevue Transaction, why wasn't that amount referenced in the Loan Commitment or the April 2020 Promissory Note as funds already advanced to the Borrowers, if the April 2020 Promissory Note was related to the Loan Commitment? Moreover, if the \$600,000 is not related to the Loan

Commitment or the April 2020 Promissory Note, please advise whether any security documentation was prepared between Petromaxx and the Borrowers. If such security documentation was prepared, please provide fully executed copies of same. If such security documentation was not prepared, please advise us as to why it was not.

Thank for your confirmation that the \$400,000 forwarded by Petromaxx on or about February 18, 2020 and the \$250,000 forward by Larsen and Petromaxx on or about May 2, 2020 were used as a deposit in connection with the Mapleview Transaction. We note that the aforementioned amounts align with the dollar values presented as equity contributions, as described in Schedule "A" to the July 2021 Promissory Note. We further note that Schedule "A" to the July 2021 Promissory Note indicates that the \$250,000 forwarded by Petromaxx occurred on February 5, 2020. Please confirm whether a typographical error was made in your Reply Letter, which referenced such payment being made on May 2, 2020.

28. We note that pursuant to Schedule "A" of the June 2021 Promissory Note Petromaxx made a \$250,000 (February 5, 2020) and a \$400,000 (February 18, 2020) payment to Paul Sadlon Solicitor. Please confirm whether these amounts were the same amounts as the purported \$600,000 advance made by Petromaxx in connection with the Mapleview Purchase deposit. If so, please explain the \$50,000 discrepancy.

Please see our response to question 27, above.

29. We note that Maria Larsen provided a letter dated December 1, 2021 to the Receiver (the "**Larsen Letter**"), pursuant to which Maria Larsen acknowledged that the sum of \$243,000 was the only amount of money advanced or guaranteed by Larsen, notwithstanding the registration of any loan or mortgage. Please explain why Maria Larsen did not disclose that she was additionally owed approximately \$2,257,000.00 as trustee prior to the sale motion or why Larsen did not disclose that she was acting as a trustee for Petromaxx at that point. Further, please explain why a letter acknowledging the amount owed to Petromaxx was not included along with the April 2020 Promissory Note and the Larsen Letter.

You have confirmed that Ms. Larsen inadvertently provided the amounts alleged to be owing to her personally, and not the total amounts allegedly owing under her registered charge.

30. Please confirm whether the \$243,000 referenced in the Larsen Letter is the same as the \$243,856 referenced in Schedule "A" to the June 2021 Promissory Note. If so, please explain why there is a discrepancy of \$856.

Please kindly provide a response to this item.

31. Please confirm whether the \$243,000 referenced in the Larsen Letter is the same as the \$243,855.73 received by you, in trust, pursuant to the Trust Ledgers. If they are the same, please explain the discrepancy of \$855.73 and please explain what the \$243,856 recorded in Schedule "A" of the June 2021 Promissory Note is in reference to.

Please kindly provide a response to this item.

32. Were the funds advanced pursuant to the April 2020 Promissory Note advanced in separate advances?

Please kindly provide a response to this item.

33. Who advanced the funds pursuant to the April 2020 Promissory Note and when were the funds advanced? If the funds were advanced in separate advances, please provide a break down of who provided each individual advance and when such advances were received.

Please kindly provide a response to this item.

34. How were the funds advanced pursuant to the April 2020 Promissory Note (i.e. by cheque, wire transfer, electronic funds transfer, etc.)? To the extent evidence of such advance or individual advances have not been provided, please provide same (i.e. paid or and cleared cheques or wire confirmations).

Please kindly provide a response to this item.

35. Were the funds advanced pursuant to the June 2021 Promissory Note advanced in separate advances?

We confirm you have advised us that the reference to the month of June is a typographical error.

36. Who advanced the funds pursuant to the June 2021 Promissory Note and when were the funds advanced? If the funds were advanced in separate advances, please provide a break down of who provided each individual advance and when such advances were received.

We confirm you have advised us that the reference to the month of June is a typographical error.

37. Who received the funds pursuant to the June 2021 Promissory Note and when were the funds received? If the funds were advanced in separate advances, please provide a break down of who received each individual advance and when such advances were received.

We confirm you have advised us that the reference to the month of June is a typographical error.

38. How were the funds advanced pursuant to the June 2021 Promissory Note (i.e. by cheque, wire transfer, electronic funds transfer, etc.)? To the extent evidence of such advance or individual advances have not been provided, please provide same (i.e. paid or and cleared cheques or wire confirmations).

We confirm you have advised us that the reference to the month of June is a typographical error.

39. Were the funds advanced pursuant to the July 2021 Promissory Note advanced in separate advances?

Thank you for confirming that the July 2021 Promissory Note was an “up to date promissory note” prepared by your office.

40. Who advanced the funds pursuant to the July 2021 Promissory Note and when were the funds advanced? If the funds were advanced in separate advances, please provide a break down of who provided each individual advance and when such advances were received.

Thank you for confirming that the July 2021 Promissory Note was an “up to date promissory note” prepared by your office.

41. Who received the funds pursuant to the July 2021 Promissory Note and when were the funds received? If the funds were advanced in separate advances, please provide a break down of who received each individual advance and when such advances were received.

Thank you for confirming that the July 2021 Promissory Note was an “up to date promissory note” prepared by your office.

42. How were the funds advanced pursuant to the July 2021 Promissory Note (i.e. by cheque, wire transfer, electronic funds transfer, etc.)? To the extent evidence of such advance or individual advances have not been provided, please provide same (i.e. paid or and cleared cheques or wire confirmations).

Thank you for confirming that the July 2021 Promissory Note was an “up to date promissory note” prepared by your office.

43. Please provide a breakdown of how the funds advanced pursuant to each of the Promissory Notes were used.

Thank you for the comments in your Reply Letter confirming that the funds were used in connection with the acquisition of the purchased property.

44. Please provide discharge statements in connection with the Larsen Mortgage dated as of March 24, 2022.

We confirm receipt, thank you for providing same.

Please note that we reserve the right to continue our investigations after reviewing any associated documents or materials. We further reserve the right to conduct additional inquiries and to supplement the above questions.

Sincerely,

WILDEBOER DELLELCE LLP

B. Wu

Brendan Wu

cc: MNP LLP, Attn: Deborah Hornbostel, deborah.Hornbostel@mnp.ca & Sheldon Title, sheldon.title@mnp.ca
cc: Thornton Grout Finnigan LLP, Attn: Rachel Nicholson, rnicholson@tgf.ca
cc: Maria Larsen: louise@maxxgc.com and larsenandassociates1@shaw.ca

John DaRe
Barrister and Solicitor
241 Applewood Crescent, Unit 9
Concord, Ontario
L4K 4E6

(905) 266-0772 (Telephone)
(905) 266-0773 (Facsimile)
john.dare@johndare.ca

April 14, 2022

Wildeboer Dellelce LLP
365 Bay Street, Suite 800
Toronto, Ontario
M5H 2V1

Delivered by Email

Attn: Mr. Brendan Wu

Dear Mr. Wu;

Re: Petromaxx Petroleum Contractors Ltd., / Maria Louise Larsen
Security Documents (Court File No. CV-21-00670723-00CL)

I am responding to your correspondence dated April 11, 2022.

As both Mr. & Mrs. Larsen are in British Columbia at the moment, I am unable to review matters with them in detail but believe I am in a position of responding to some of the more salient questions you have asked of me.

I did act on behalf of Maria Louise Larsen in respect to securing amounts that are owing to her and to Petromaxx Petroleum Contractors Ltd.

As you are further aware, I represented the debtors, 2738283 Ontario Inc., et al at the time that they completed the purchase of the lands described as 320 and 366 Mapleview Drive West and 664 and 674 Essa Road, Barrie (the "**Barrie Lands**").

With regards to your first several questions, I am attaching hereto my trust ledger statement with respect to the purchase transaction. I am also attaching copies of my bank statements for the relevant period in redacted form. I have left highlighted for your ease of reference the relevant deposits made thereto and which are summarized as follows;

1. \$1,150,000.00 received on April 17, 2020;
2. \$250,000.00 received on April 21, 2020;
3. \$250,000.00 received on April 22, 2020;
4. \$243,855.73 received on May 12, 2020;

In addition, the amount of \$495,794.45 was received as an advance from Diamond and Diamond in Trust, on behalf of RPN. The above referenced amounts are all reflected on my June 18, 2020 ledger and report. Your correspondence makes reference to a January 10, 2022 ledger. That would be a duplicate of the June 18, 2020 ledger which, when re-printed, would automatically update the date.

With respect to the promissory notes, I confirm that an up to date promissory note was prepared by my office on or about July 5, 2021. I received instructions to do so in order to support the anticipated registration of the mortgage that was intended to be registered to secure the amounts outstanding and advanced by Maria Louise Larsen and Petromaxx Petroleum Contractors Ltd.

The registration of that mortgage was requested and agreed to by the debtors who had been unsuccessful in arranging adequate financing to re-pay the vendor takeback mortgage and other obligations including the obligation to repay Maria Louise Larsen and Petromaxx Petroleum Contractors Ltd. Due to concerns with respect to the debtors ability to repay the loans, the secured parties requested additional security in the form of a guarantee from Mr. Larsen's other companies which also appear on the promissory note categorized as payors rather than guarantors. I attach a copy of the July 5, 2021 promissory note.

With respect to the balance of monies intended to be secured by the mortgage, Maria Louise Larsen and Petromaxx Petroleum Contractors Ltd., had caused to be forwarded directly to the vendor of the Barrie Lands the sum of \$400,000.00 on or about February 18, 2020 and the sum of \$250,000.00 on or about May 2, 2020. These amounts were applied and credited to the purchaser and form part of the deposit as referenced in the statement of adjustments which I also attach.

At the time of the registration of the mortgage it was the specific intent of the parties to secure the above referenced amounts which total \$2,543,855.73. The parties agreed that the amount to be secured was slightly less than this amount and in the sum of \$2,500,000.00.

I am attaching hereto my various correspondences to Anthony Maniaci, Barrister & Solicitor, who was retained by the debtors and various guarantors to provide independent legal representation as part of the mortgage registration and a full copy of the documents executed by the borrowers and guarantors as returned to me in support of the loan and mortgage securing same.

In review, I do note a typographical error in the first pre-amble of the acknowledgement wherein June 5, 2021 should have read July 5, 2021. I assume that that incorrect date results from the error contained in the Schedule "A" to the promissory note which is dated June 5, 2021 as that schedule was likely prepared on or about that date. Although not specifically requested, I also enclose my Form 9E provided to Maria Louise Larsen following closing and supporting the matters disclosed herein. I also attach hereto an

acknowledgement executed by Maria Louise Larsen which I requested of her in regards to the amounts advanced by Petromaxx Petroleum Contractors Ltd., given that the mortgage was to be registered solely in Mrs. Larsen's name.

As appears, the Maria Louise Larsen mortgage was properly registered for value received and acknowledged by the debtors and used as equity at the time the Barrie Lands were purchased. It was therefore a valid and properly secured charge at the time the Barrie Lands were conveyed by way of Vesting Order on or about March 24, 2022. I further understand that there is currently no dispute raised by the debtors in regards to the validity or quantum of the security and that the secured money ought to be repaid so as to ensure a proper return of funds to the relevant advancing parties.

I also enclose a copy of the mortgage discharge statement which was prepared by my offices at the request of Maria Louise Larsen prior to the time of completion and which I understand was provided to the Receiver. I understand from discussions with Mrs. Larsen that she may have replied to an earlier request made by the Receiver with respect to amounts that she had advanced under this mortgage sometime in late 2021. She advises me that at the time the request was made of her, she understood it to be in her personal capacity and accordingly she reported only the sum of \$243,855.73 which was the actual amount she advanced after mortgaging her property in British Columbia. I have previously provided details to the receiver of that transaction. I was not asked to assist her at that time.

I trust that this satisfies the majority of your questions and I will discuss further as the need arises with Mr. and Mrs. Larsen upon their return to Toronto next week. However, notwithstanding any further advice they may provide, I am of the opinion that the delay in payout of this mortgage ought to have been addressed in advance of closing or should forthwith be addressed from funds that continue to be held in trust from the sales proceeds.

You may contact me with anything further.

Yours truly,



John DaRe
JDR/jb
Encs.

John DaRe
Barrister and Solicitor
241 Applewood Crescent, Unit 9
Concord, Ontario
L4K 4E6

(905) 266-0772 (Telephone)
(905) 266-0773 (Facsimile)
john.dare@johndare.ca

May 17, 2022

Wildeboer Dellelce LLP
365 Bay Street, Suite 800
Toronto, Ontario
M5H 2V1

Delivered by Email

Attn: Mr. Brendan Wu

Dear Mr. Wu;

**Re: Petromaxx Petroleum Contractors Ltd., / Maria Louise Larsen
Security Documents (Court File No. CV-21-00670723-00CL)**

This follows your correspondence of May 13, 2022 requesting additional information following my Reply Letter of April 14, 2022. Accordingly, please see my further responses to your numbered questions set out below.

Question 1 –Please find copies of the EFT payments reflecting my offices receipt of the four deposits referenced on my trust ledger statement. No cheques were received and as such there are no deposit slips applicable.

Question 2 – The EFT payments referenced in response to Question 1 above set out the date of receipt.

Question 3 – I confirm the Promissory Note was provided in my earlier correspondence. Please review the attachments to my prior correspondence.

Question 4 – These documents were drafted directly by the parties prior to the closing of the land transaction. I am advised that Petromaxx Petroleum Contractors, having already advanced funds to be utilized in the purchase, was accordingly a proper party to the loan commitment as it was always the intent of the parties that Petromaxx Petroleum Contractors not be shown as a secured party, it was therefore intentional that the Promissory Note was entered into only with Maria Louise Larsen as the advancing party.

Question 5 – This document was prepared internally by the parties and accordingly the omission of 7 Generations Development Group Inc., was likely an oversight.

Question 6 – I am not aware of any further documents being prepared. The acknowledgement was prepared prior to registration of the mortgage to accurately set out the relationship between both lenders and their interests in the registered mortgage.

Question 7 – In July, 2021, Mrs. Larsen was concerned with respect to repayment given the inability of 2738283 Ontario Inc., et al, to refinance the property and accordingly requested from Mr. Larsen and the Debtors the requirement that the Promissory Notes be secured through registration as well as requiring the additional guarantees from Mr. Larsen's related corporations.

Question 8 – There are no other loan agreements or commitments that I am aware of that have not been produced.

Question 9 – This omission was likely inadvertent as 2738283 Ontario Inc., was included as a payor in the body of the note.

Question 10 – I understand that additional guarantee was required as a result of the disclosure of the beneficial trust relationship between 7 Generations and the trustees. This guarantee was intended to capture the beneficial owners obligation.

Question 11 – See response to Question 7 above.

Question 12 – No amounts secured by the Promissory Notes were advanced to Petromaxx Construction Ltd., Petromaxx Construction ON LLP, Petromaxx Management LLP or Mill Street Ventures GP Ltd. The advance of the funds were all made for the benefit of the Debtors and/or 7 Generation in the acquisition of the properties as set out in the material previously provided.

Question 13 – Please refer to my Trust Ledger Statement with regards to how the advances applied. Indirectly those advances were made for the benefit of 2738283 Ontario Inc., which took title to one of the parcels of land comprising the Mapleview site.

Question 14 – Previously answered.

Question 15 – The various Promissory Notes were all intended to secure the amounts referenced on the trust ledger statement dated June 18, 2020. To my knowledge there was no other amounts advanced by the parties to be separately secured.

Question 16 –It was the intent of the parties that the only mortgagee to be referenced was Maria Louise Larsen and Petromaxx was to remain a beneficial owner thereof to the extent of the advances made by it and as acknowledged in the acknowledgement provided in my earlier correspondence.

Question 17 – In addition to the answers previously provided, my understanding is that Maria Louise Larsen became concerned by the inability of the Debtors to refinance the property and accordingly requested compliance with the clause contained in the various Promissory Notes that the amounts advanced be secured by the registration of a mortgage on the various Barrie lands being 320 and 366 Mapleview Drive West, Barrie and 664 and 674 Essa Road, Barrie.

Question 18 – You have received my reporting letter and its enclosures. There were no additional or supplementary books or reports prepared thereafter. As indicated throughout, the structuring of the various loan agreements between the parties were not prepared by me and I was not advised at the time of closing that amounts received as set out in my reporting letter were to be secured.

Question 19 – Form 9E, previously provided and my account comprises my reporting.

Question 20 – No further reply requested.

Question 21 – I can locate no other documentation other than what has been previously provided.

Question 22 – The three amounts referenced do comprise the amounts to be secured in each of the referenced Promissory Notes.

Question 23 – No further reply required.

Question 24 – This was previously explained. The discrepancy of \$855.73 was likely a rounding error.

Question 25 – The total amount advanced by Petromaxx towards the acquisition of the Barrie Lands was \$2,300,000.00 comprised of two (2) payments directly to the Vendor in the amount of \$400,000.00 and \$250,000.00 respectively and the amounts of \$1,150,000.00, \$250,000.00 and \$250,000.00 received by me “In Trust” which together comprise the total of \$2,300,000.00. The amount of \$243,855.73 was in addition thereto. Accordingly, the Acknowledgement amount appears to be correct.

Question 26 – The amount paid directly by Petromaxx Petroleum to the Vendor or the Vendor’s solicitor in respect of the Mapleview transaction was \$400,000.00 on February 18, 2020 and \$250,000.00 on May 2nd, 2020. As these amounts did not form part of my trust receipts I have no additional information other than that

previously provided being the Vendors statement of adjustment acknowledging receipt and credit for those amounts.

Question 27 – As the amounts paid by Petromaxx were not passed through my trust account, it is likely the case that in creating the document referenced the parties considered it inconsequential to acknowledge prior advances.

I agree that the acknowledgement might have made reference to amounts previously paid pursuant to the commitment to fund. While it is not my intent in responding to these questions to make any argument on behalf of the parties to support their position that the security is in fact valid, any omission in the pre-registration documents would have been cured in the acknowledgement of the debt at the time the July Promissory Note was executed and exchanged. The funds so secured were in fact never intended to be equity. By the same token, the parties likely never considered the potential of the resulting financial situation. Clearly, in the case where advances are made by related corporations with the intent that they be repaid, it should not be too far a stretch to construe an agreement to convey an interest in the property to the extent of such advances.

Question 28 – The actual amount of advance intended to be secured is as referenced (\$250,000.00 – February 5, 2020 and \$400,000.00 February 18, 2020). Additional amounts were paid as deposits as reflected on the statement of adjustments including the amount of \$600,000.00 advanced by Petromaxx. This amount does not form part of the amounts intended to be secured pursuant to the Promissory Notes or the mortgage.

Question 29 – It was Maria Louise Larsen's understanding from correspondence from the Receiver that the request was only in respect of amounts contributed by her personally.

Question 30 – This is the same amount and the discrepancy was a rounding error.

Question 31 – Same as 30 above.

Question 32 – Each advance is documented in my previous correspondence and as is set out in the statement of adjustments and my trust ledger statement.

Question 33 – Previously answered.

Question 34 – Proof of advance was already provided.

Question 35 – No additional response required.

Question 36 – No additional response required.

Question 37 – No additional response required.

Question 38 – No additional response required.

Question 39 – No additional response required.

Question 40 – No additional response required.

Question 41 – No additional response required.

Question 42 – No additional response required.

Question 43 – No additional response required.

Question 44 – Previously provided.

If there remains any further questions arising from the above that are better addressed by Mr. or Mrs. Larsen, kindly forward to me if that would be more convenient.

Thank you,



John DaRe
JDR:jb
Encs.



PetroMaxX Petroleum Contractors Ltd.

EFT Payment Receipt

04-17-2020

EFT Payment Receipt

EFT Payment Batch# = 87

Invoice#	Job/Description	Invoice Balance	Discount	This Payment
57	John DaRe, Barrister & Solicitor			
Deposit-MV1	6194029 Maple View	1,150,000.00		1,150,000.00
	Vendor Totals:	1,150,000.00		1,150,000.00



PetroMaxX Petroleum Contractors Ltd.

EFT Payment Receipt

04-20-2020

EFT Payment Receipt

EFT Payment Batch# = 88

Invoice#	Job/Description	Invoice Balance	Discount	This Payment
57	John DaRe, Barrister & Solicitor			
Deposit-MV2	6194029 Maple View	250,000.00		250,000.00
	Vendor Totals:	250,000.00		250,000.00



PetroMaxX Petroleum Contractors Ltd.

EFT Payment Receipt

04-22-2020

EFT Payment Receipt

EFT Payment Batch# = 89

Invoice#	Job/Description	Invoice Balance	Discount	This Payment
57	John DaRe, Barrister & Solicitor			
Deposit-MV3	6194029 Maple View	250,000.00		250,000.00
	Vendor Totals:	250,000.00		250,000.00

APPENDIX "H"

APPENDIX "H"

**Estate No. 32-159273
Court No. 32-159273**

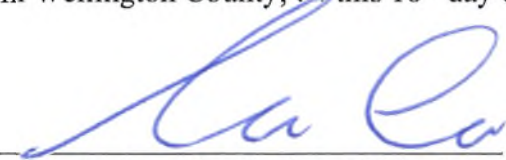
**IN THE MATTER OF THE RECEIVERSHIP OF
2738283, 2738284 AND 2738285 ONTARIO INC.
OF THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF MAILING

I, Fatemah Khalfan, of the city of Toronto, in the province of Ontario, hereby make oath and say:

That on the 15th day of March, 2022, I did cause to be mailed to the creditors of 2738283, 2738284 and 2738285 Ontario Inc., whose names and addresses appear on the paper-writing marked as Exhibit "A", attached hereto, and emailed to the creditors of 2738283, 2738284 and 2738285 Ontario Inc., whose email addresses appear on the paper-writing marked as Exhibit "B", attached hereto, a copy of the Claims Package, dated March 15, 2022, marked as Exhibit "C", attached hereto.

SWORN BEFORE ME by video conference
From the City of Toronto to the Town of Erin,
In Wellington County, on this 18th day of March, 2022



Commissioner for Taking Affidavits

)
) 
) _____
Fatemah Khalfan

**Matthew Eric Lem, a Commissioner, etc.,
Province of Ontario, for MNP Ltd. and MNP LLP.
Expires February 21, 2023.**

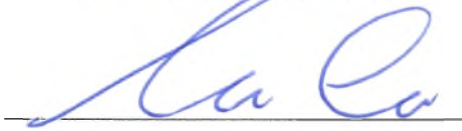
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF FATEMAH KHALFAN

Sworn before me via
video conference

This 18th day of March, 2022



Commissioner for taking Affidavits, etc.

	Creditor Name	Address	City, Province, Postal Code
1)	2603011 Ontario Inc.	54-1560 Bloor Street	Mississauga ON L4X 1R8
2)	Antec Appraisal Group (Toronto) Inc.	4550 Highway 7, Suite 225	Vaughan ON L4L 4Y7
3)	Barriston Law Attention Josh Valler	Lauren Pric 151 Ferris Lane, Suite 202	Barrie ON L4M 6C1
4)	Beacon Environmental	80 Main Street North	Markham ON L3P 1X5
5)	Black Jet Inc.	6 Bathurst Street, 2nd Floor	Toronto ON M5T 2S6
6)	BMG Glass and Aluminium Inc.	108 Victoria Street	Barrie ON L4N 2J1
7)	Bomaxx Equipment Ltd.	PO Box 245, Station A	Abbotsford BC V2T 6Z6
8)	Budget Propane	1011 Beiers Rd	Gravenhurst ON P1P 1R1
9)	City of Barrie	City Hall, P.O.Box 400, 70 Collier Street	Barrie, ON L4M 4T5
10)	Colliers Strategy and Consulting Inc.	200 Granville Street	Vancouver BC V6C 2R6
11)	Gary K. Bell	365 Codrington Street	Barrie ON L4M 1S9
12)	Georgian Waste Services Inc.	8903 Simcoe County Rd 56	Utopia, ON L0M 1T0
13)	Glen Schnarr & Associates Inc.	10 Kingsbridge Garden Cir Suite 700	Mississauga, ON L5R 3K6
14)	Kuntz Forestry Consulting Inc.	146 Lakeshore Road West, PO Box 1267	Oakville ON L6K 0B3
15)	M. Sohi, CPA Inc.	102-32625 South Fraser Way	Abbotsford BC V2T 1X8
16)	MEM Engineering Inc.	2355 Derry Road East, Unit #28	Mississauga ON L5S 1V6
17)	Rowan Williams Davies & Irwin Inc.	600 Southgate Dr	Guelph, ON, N1G 4P6
18)	Royal LePage - Todd Guergis	299 Lakeshore Drive	Barrie, ON L4N 7Y9
19)	Simcoe Block (1979) Limited	P.O.Box 250	Barrie, ON L4M 4T2
20)	Tatham Engineering Limited	115 Sandford Fleming Drive, Suite 200	Collingwood ON L9Y 5A6
21)	TG Planning	2560 Sunnidale Road	Utopia ON L0M 1T0
22)	United Rentals	13352 Coleraine Drive	Bolton ON L7E 2Y1
23)	Urban Metrics Inc.	67 Yonge Street, Suite 804	Toronto ON M5E 1J8
24)	WSP Canada Inc.	1600 Rane Levesque Quest, 11e	Montreal QC H3H 1P9
25)	Zeidler Architecture Inc.	158 Sterling Rd 6th Floor	Toronto, ON M6R 2B7
26)	Canada Revenue Agency	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd	Shawinigan-Sud, QC G9P 5H9

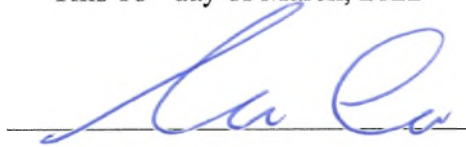
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF FATEMAH KHALFAN

Sworn before me via
video conference

This 18th day of March, 2022



Commissioner for taking Affidavits, etc.

Creditor Name

- 1) 7 Generations Development Group Limited
- 2) Blake Larsen
- 3) MNP LLP
- 4) PetroMaxx Petroleum Contractors Ltd.
- 5) Simcoe Block (1979) Limited
- 6) Tatham Engineering Limited
- 7) Alectra Utilities
- 8) Morris Group Financial Inc. c/o Papazian Heisey Myers

Email address

- blake@petromaxx.ca
- blake@petromaxx.ca
- Lee.Bass@mnp.ca
- blake@petromaxx.ca
- e.sinclair@simcoeblock.com
- sfranks@tathameng.com
- customerservice@alectrautilities.com
- jpapazian@phmlaw.com

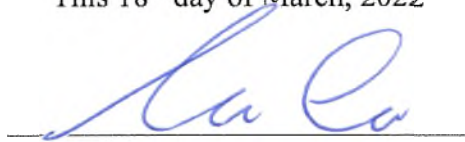
Attached is Exhibit "C"

Referred to in the

AFFIDAVIT OF FATEMAH KHALFAN

Sworn before me via
video conference

This 18th day of March, 2022

A handwritten signature in blue ink, appearing to be 'A. C.', is written over a horizontal line.

Commissioner for taking Affidavits, etc.

NOTICE TO CLAIMANTS

Court File No. CV-21-00670723-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended
B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

RE: NOTICE OF CLAIMS PROCESS

PLEASE TAKE NOTICE that this notice is being issued pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made March 11, 2022 (the "**Claims Process Order**"). If you believe you are a creditor of 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC. (collectively, the "**Respondents**") or 7 GENERATIONS DEVELOPMENT GROUP LIMITED ("**7 Generations**" and together with the Respondents, the "**Claim Parties**") please continue reading this notice.

A Claims Process has been commenced pursuant to the Claims Process Order. All creditors of (i) the Respondents, or (ii) 7 Generations solely in respect of the real properties set out in Schedule "A" (collectively, the "**Real Property**") attached hereto are required to submit a Proof of Claim to MNP Ltd., the Court-appointed receiver of the Respondents (in such capacity, the "**Receiver**") on or before April 29, 2022.

Creditors may obtain the Claims Process Order and a Claims Package from the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al> or by contacting the Receiver by telephone at 416-515-3885 or by email at deborah.hornbostel@mnp.ca.

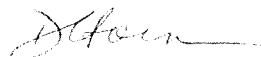
If you are a creditor of any of the Claim Parties and wish to assert a claim, you are required to submit a completed Proof of Claim to the Receiver by **5:00 p.m. (Toronto Time) on April 29, 2022** (the "**Claims Bar Date**"). It is your responsibility to complete the appropriate documents and ensure that the Receiver receives your completed documents by the Claims Bar Date.

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED at Toronto this 15th day of March, 2022.

**MNP Ltd., in its capacity as court-appointed Receiver of
2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.**

Per:



Deborah Hornbostel, CPA, CA, CIRP, LIT, CFE
Senior Vice President

Schedule "A"

- (a) The real property municipally known as 320 Maplevue Drive West, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1071059 EXCEPT PT 62 PL 51R24730, PTS 1 TO 5 INCL. PL 51R31988 & PTS 2 TO 4 INCL. PL 51R34959, S/T RO1272147; BARRIE, being all of PIN 58730 - 0303 (LT);
- (b) The real property municipally known as 366 Maplevue Drive West / 692 Essa Road, Barrie Ontario, which is legally described as CONSOLIDATION OF VARIOUS PROPERTIES PT LT 3 CON 12 INNISFIL BEING PT 1 PL 51R32435 & PT LTS 3 & 4 CON 12 INNISFIL BEING PTS 1 & 2 PL 51R25124, EXCEPT PT 1 PL 51R33177, S/T RO990763; INNISFIL, being all of PIN 58730 - 0304 (LT);
- (c) The real property municipally known as 664 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1278789 EXCEPT PT 6 PL 51R31988; BARRIE, being all of PIN 58730 - 0240 (LT); and
- (d) The real property municipally known as 674 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1244213 EXCEPT PT 61 51R24730 AND PT 251R33177; S/T RO1272150; BARRIE, being all of PIN 58730 - 0297 (LT).

PROOF OF CLAIM

Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3,
as amended**

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

PROOF OF CLAIM

1. PARTICULARS OF CLAIMANT

- (a) Full Legal Name of Claimant: _____
- (b) Full Mailing Address of Claimant: _____

- (c) Telephone Number of Claimant: _____
- (d) Facsimile Number of Claimant: _____
- (e) E-mail Address of Claimant: _____
- (f) Attention (Contact Person): _____

2. PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE:

(a) Have you acquired this Claim by assignment? Yes No

(if yes, attach documents evidencing assignment)

a. Full Legal Name of original creditor(s): _____

3. PROOF OF CLAIM

THE UNDERSIGNED CERTIFIES AS FOLLOWS:

All capitalized terms not otherwise defined herein have the meanings ascribed to them in the Claims Process Order granted by the Ontario Superior Court of Justice (Commercial List) on March 11, 2022 (the "Claims Process Order").

That I [am a Claimant/hold the position of _____ of the Claimant] [*select applicable*] and have knowledge of all the circumstances connected with the Claim described herein;

That I have knowledge of all the circumstances connected with the Claim described and set out below;

The Respondents and/or 7 Generations Development Group Limited are indebted to the Claimant as follows:

(When completing the Proof of Claim form, please include the exact legal name of the party that you are asserting a Claim against. Any Claims denominated in a foreign currency shall be filed in such currency and will be converted to Canadian Dollars at rates set out in the Claims Process Order.)

	2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.	Amount of Claim
1.		\$
2.		\$
	\$	

	7 Generations Development Group Limited (related to the Real Property)	Amount of Claim
1.		\$
2.		\$
	\$	

4. PARTICULARS OF CLAIM:

The particulars of the undersigned's total Claim are attached.

(Provide full particulars of the Claim(s) and supporting documentation, including the amount, description of transaction(s) or agreement(s) giving rise to the Claim(s), name of any guarantor(s) which has guaranteed the Claim(s), and amount of Claim(s) allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. With respect to any Claim(s) asserted against 7 Generations Development Group Limited, indicate the nature of such Claim(s) in respect of the Real Property).

5. FILING OF CLAIM

This Proof of Claim must be returned to and received by the Receiver by 5:00 p.m. (Toronto Time) on the Claims Bar Date (April 29, 2022).

In each case, completed forms must be delivered by prepaid registered mail, courier, personal delivery, or email to the Receiver at the following address:

MNP Ltd.
111 Richmond Street West, Suite 300
Toronto, ON, M5H 2G4

Attn: Deborah Hornbostel / Sheldon Title
Telephone: 416-515-3885 / 416-263-6945
Email: deborah.hornbostel@mnp.ca / sheldon.title@mnp.ca

DATE: _____

NAME OF CREDITOR:

Witness Signature

Per: _____

(signature)

Name: _____

Title: _____

(Please Print)

APPENDIX "I"

APPENDIX "J"

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

BETWEEN

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**AFFIDAVIT OF DEBORAH HORNBOSTEL
(Sworn June 22, 2022)**

I, **DEBORAH HORNBOSTEL**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice President with MNP Ltd. ("**MNP**"), the Court Appointed Receiver of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. and as such have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. By Order of the Honourable Justice Penny dated November 9, 2021, MNP was appointed as Receiver of the assets, undertakings and properties of the Respondents.

3. In connection with the receivership of the Respondents, fees of \$144,742, plus applicable HST of \$18,816.46 were incurred by MNP at its standard rates in effect during the period February

23, 2022 to June 17, 2022 as provided for in MNP's summary of time charges and related detailed time dockets which provide a fair and accurate description of the services provided, appended hereto as **Exhibit "A"** to this my Affidavit, along with a copy of our draft invoice. A total of 237.9 hours was expended at an effective hourly rate of \$608.42.

4. I verily believe that the hourly rates charged for the services performed are fair and reasonable in the circumstances.

5. I make this affidavit in support of a motion for, *inter alia*, approval of the MNP's fees incurred, as detailed herein, and for no other or improper purpose.

SWORN before me a by video)
conference from the City of Toronto, to)
the Town of Erin, the County of)
Wellington, in the Province of Ontario)
this 22nd day of June, 2022.)



Deborah Hornbostel CPA, CA, LIT, CIRP, CFE



Commissioner for Taking Affidavits

Matthew Eric Lem, a Commissioner, etc.,
Province of Ontario, for MNP Ltd. and MNP LLP.
Expires February 21, 2023.

**Exhibit "A" of the Affidavit of
Deborah Hornbostel
Sworn before me video conference
This 22nd day of June, 2022**

A handwritten signature in blue ink, appearing to be "Lu Co".

A Commissioner, Etc.

DETAILED TIME CHARGES

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DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
23-Feb-2022	Deborah Hornbostel	.70	Review and respond to emails from B. Stanton and K. Avison, email to B. Emms off BAE Environmental to request reliance letter for purchaser, review dockets for affidavit of fees, receipt of environmental reliance letter for ARK, circulate to team.
24-Feb-2022	Deborah Hornbostel	6.50	Tc with Lee Bass re B. Larsen concerns, fee affidavit and report drafting, related discussion with S. Title, email to D. Wilson to request detailed invoices wrt Schnarr lien.
24-Feb-2022	Sheldon Title	.20	Review/edit fee affidavit.
25-Feb-2022	Deborah Hornbostel	6.30	Respond to email from Robert Pauls of Diamond Law re RPN intention to pay out co-mortgagee, meeting with TGF to discuss disclosure of selling price to B. Larsen, review of secured creditor documentation, email to T. Dolny to request discharge statement, email to and tc from S. Shchavyelyev re: Computershare discharge statement, receipt and review thereof, email to him for documentation to support charges, review RPN discharge statement and loan documentation, tc and em to R. Pauls for further supporting documentation on specific charges, email to B. Larsen to request discharge statement from M Larsen, receipt and review of invoices from D. Wilson re Schnarr lien, forward to R. Nicholson re validity of claim, review emails from her re request for bankruptcy petition scheduling by J. Papzian, report updating. review listing proposals and provide instructions to F. Khalfan for redaction thereof, review response on Computershare charges, request removal of Sec.17 penalties.
25-Feb-2022	Sheldon Title	.40	Call with Thornton, Nicholson and Hornbostel; further email with Nicholson re: email from lawyer vis-a-vis March 10th court date.
25-Feb-2022	Fatemah Khalfan	.20	Email received from RPN; forwarded onto D. Hornbostel; sent acknowledgement email to RPN.
26-Feb-2022	Deborah Hornbostel	.60	Report updates and prepare blackline of Receiver's report and send to S. Title along with o/s comments, email to R. Nicholson re: Wildeboer charges

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28-Feb-2022	Deborah Hornbostel	5.50	Drafting Receiver's report to Court, review and comment on draft claims procedure order and vesting and approval orders, discussions with S. Title re draft report issues and R. Nicholson re o/s issues related to secured and construction lien claims, receipt of amended discharge statement from Computershare, research into claimed charges, email to R. Nicholson for guidance on charges, instructions re fee affidavit and Wildeboer disbursement, email to D. Richer to request copy of legal bill, instructions to A. Mehta re snow removal, review emails from R. Nicholson to solicitors re draft court orders.
28-Feb-2022	Sheldon Title	1.20	Review of AVO, review of claims process order, call with Hornbostel on report; emails with Nicholson on orders after revisions.
01-Mar-2022	Deborah Hornbostel	4.80	Email to R. Pauls of Diamond Law re RPN mortgage issues, prepare SRD for court report, review and respond to email from I. Aversa re SvN discharge statement, prepare report appendices, receipt of updated AVO and Claims process orders, review and comment thereon to R. Nicholson, provide her with all lease information re tenant and billboards, review her amendments to draft Receiver's report, provide her with available report appendices, continue report updating.
02-Mar-2022	Sheldon Title	3.30	Review of secured creditor advances; discussion with Deborah; call *2 with Nicholson/Hornbostel; call *2 with Richer on payout (15 mins+34 minutes); commence review of revised report.
02-Mar-2022	Fatemah Khalfan	.40	Prepared receipt voucher and sent to D. Hornbostel; received back; posting done to Ascend.
02-Mar-2022	Deborah Hornbostel	7.80	Calls with R. Nicholson and S. Title to discuss various report and claims process issues, drafting of court report and preparation of appendices, review notice of motion received from Morris, emails with Sergiy re Computershare issues, email to B. Larsen re M. Larsen security, emails and tc with Tamie Dolny re: SVN claim, review of legal research from TGF security charges, review of documentation from Faskens, respond to T. Walman re Computershare issues, review emails from R. Thapar re AVO issues and assignment of APA, receipt and review of TGF invoice, approve banking transaction.
03-Mar-2022	Sheldon Title	3.70	Further work on report; emails with R. Nicholson/D. Hornbostel, calls with D. Hornbostel on Equityline

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			payout, etc.; review of revised AVO and Claims Bar Orders and comments to R. Nicholson related thereto, email from Richer on PS Holdings claim; email to R. Nicholson on PS Holdings interest calcs; final review of report, email to R. Nicholson and D. Hornbostel on same, numerous emails exchanged with Ray Thapar and Rachel re: assignment agreement, etc; review of NOM and further review of changes to report.
03-Mar-2022	Chahna Nathwani	.20	Motion record uploading on Webpage.
03-Mar-2022	Fatemah Khalfan	.70	Email received from D. Hornbostel to purchase a GIC; prepared requisition and sent to D. Hornbostel and S. Title for signing; received back and saved to folder; emails exchanged with M. Sattler at TD re purchase.
03-Mar-2022	Fatemah Khalfan	.40	Receipt voucher x 2 prepared and sent to D. Hornbostel.
03-Mar-2022	Fatemah Khalfan	.70	Term deposit purchase requisition prepared and sent to D. Hornbostel and S. Title; received back and saved to client folder; emails exchanged with M. Sattler at TD re: purchase of a GIC.
03-Mar-2022	Deborah Hornbostel	4.90	Review and approve banking transactions, instructions for term deposit, review of court report edits and queries from S. Title, review email from Sergiy of Equityline, tc and email from I. Demitchev rep Equityline, review email from I. Aversa and legal fees of A&B re SVN, review revised discharge statement from Faskens re PS Holdings, update payout schedule, review email from J. Bogle, review AVO comments from R. Thaper and subsequent changes, review changes to draft orders, provide service list info to TGF, receipt and review of TGF fee affidavit, report edits and updates, review of notice of motion, finalize and issue report, review and respond to email from A. Bouchelev.
04-Mar-2022	Sheldon Title	.50	Call with R. Nicholson *2 on next steps re: Morris motion, request for extension on closing/comment on B. Larsen NDA, review of NDA; emails with Hornbostel/Nicholson on costs related to extension on closing.
04-Mar-2022	Chahna Nathwani	.20	Service List - Sitecore upload.
04-Mar-2022	Fatemah Khalfan	.40	Received two signed receipt vouchers from D. Hornbostel; saved to client folder; entered receipt to Ascend and printed deposit slip; put through.
04-Mar-2022	Deborah Hornbostel	5.80	Tc with Jamel of Axcel Insurance re renewal/extension of policy, tc with A. Bouchelev re

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			T. Guergis claim, email to R. Nicholson re same, review email from her to P. Benipal re Morris motion timing, review request for closing delay to Mar.24, calculate costs of delay, review new documentation and charges from RPN re discharge amounts, fwd and discuss with R. Nicholson, review emails and vm from B. Larsen and respond, email to R. Nicholson re NDA for Larsen, receipt and review thereof, review email from counsel for Tathem, cheque approval, invoice review and approval, finalize and issue NDA to Larsen, email to I. Aversa re legal fees on discharge statement, update from R. Nicholson re RPN charges, email to R. Paul to confirm amount to be paid to RPN, review and circulate email from A. Bouchelev re upcoming motion position.
05-Mar-2022	Deborah Hornbostel	.30	Review vm and em from B. Larsen, discussion with him, receipt of NDA from him and remail out unredacted APA.
07-Mar-2022	Sheldon Title	.60	Emails with R. Nicholson on Jaffe representing 7 Generations, its position on proposed claims process; email to Nicholson on there being two links to March 10th hearing; emails with Hornbostel on RPN claim; review of factum and amended report, email to R. Nicholson.
07-Mar-2022	Fatemah Khalfan	.30	Posting x 2 done to Sitecore.
07-Mar-2022	Deborah Hornbostel	2.70	Tc with Matt Hawkins of Colliers re 7 Gen claim, review and respond to email from R. Nicholson re conversation with 7 Gen's council re claims process and upcoming motion, review emails related to Morris' counsel's motion scheduling, tc from R. Nicholson re pre-receivership listing agreement, tc to K. Avison re same, email him the listing for confirmation of public record, review and comment on draft factum, review related emails and responses from K. Avison, drafting amendments to issued Receiver's report, review and comment thereon.
08-Mar-2022	Sheldon Title	1.40	Emails from R. Nicholson claims process, list of 7 Generation creditors, review of revised claims process order and provide comments thereon; review of further claims process order and email to Nicholson my comments; call and email to Nicholson to discuss/consider Jaffe's question as to why the receiver would involve itself in filing the o/s tax return.
08-Mar-2022	Fatemah Khalfan	.30	Posting x 2 done to Sitecore.

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08-Mar-2022	Deborah Hornbostel	1.30	Review and respond to emails from R. Nicholson re claims process, fwd email from T. Guergis re claim info, tc with Jamal re insurance renewal, email to R. Nicholson re closing date of sale, review and comment on draft changes to vesting order and claims process order, review emails from B. Jaffee and updated creditor list from B. Larsen, comment to team on additions to it and subsequent draft order amendments.
09-Mar-2022	Sheldon Title	.30	Emails exchanged with D. Hornbostel on insurance, with R. Nicholson on follow up tax issue raised by Jaffe, on monitoring activities arising from interactions with stakeholders, etc.
09-Mar-2022	Deborah Hornbostel	1.50	Review various emails from R. Nicholson regarding finalization of AVO and Claims Process orders, provide details to purchaser's counsel wrt per diem charges for delayed closing, tc with and email to Jamal of Axel Insurance to provide closing date of sale and coverage termination date, review of Schnarr construction lien, statement and invoices and respond to R. Nicholson on payment amount for lien, review inspection report from Lockit Security and email to advise of upcoming sale date
10-Mar-2022	Sheldon Title	1.20	Attendance at court hearing; brief call with Nicholson afterwards.
10-Mar-2022	Fatemah Khalfan	.30	Posting done to Sitecore.
10-Mar-2022	Fatemah Khalfan	.20	Emails exchanged with D. Hornbostel re GIC purchased and it being rolled over weekly by TD.
10-Mar-2022	Fatemah Khalfan	.20	Cheque requisition prepared for Lockit Key 7 Security Inc and sent to D. Hornbostel for signing.
10-Mar-2022	Deborah Hornbostel	1.90	Tel call with R. Nicholson to clarify report info and discuss Schnarr lien, attend court motion re AVO and claims process, review of endorsement from J. Penny, arrange posting of updated service list, review email from Brian of BAE Environmental re request for reliance letter to Vector Financial, respond and also email to S. Pichumani for clarification, review and approve disbursement, review emails from R. Nicholson and D. Wilson re Schnarr Lien, email exchange with R. MacCuspig of Vector Financial, email to BAE Environmental to authorize new reliance letter.
11-Mar-2022	Sheldon Title	.30	Review of decision on claims process/bankruptcy issue.

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11-Mar-2022	Fatemah Khalfan	.50	Posting done to Sitecore x 3; created new category on webpage.
11-Mar-2022	Fatemah Khalfan	.30	Put disbursement (to Lockit Security & Key Inc) through Ascend for e-signing; printed cheque; scanned to client folder; arranged for mailing; advised vendor that cheque was being mailed out today.
11-Mar-2022	Fatemah Khalfan	.20	Email sent to Globe and Mail requesting price quote and mockup for ad to be run next week.
11-Mar-2022	Deborah Hornbostel	2.80	Email exchanges with K. Avison, receipt and review of endorsement of J. Penny re claims process, tc with R. Nicholson re advert amendments and purchaser's concerns re tenant lease, prepare documents for creditor package and Globe and Mail advertisement, instructions to Fatemah for ad placement, work on compiling creditor list.
12-Mar-2022	Fatemah Khalfan	.10	Received draft mock-up ad and price quote from Globe and Mail; forwarded email to D. Hornbostel.
13-Mar-2022	Deborah Hornbostel	.90	Review and respond to email from T. Guergis, review draft Globe advertisement, instructions to Fatemah re required changes to it, email to accounts payable info and related emails to F. Khalfan for mailing list compilation.
14-Mar-2022	Sheldon Title	.20	Email to reformat posting of court documents on website.
14-Mar-2022	Fatemah Khalfan	1.70	Finalized advertisement with D. Hornbostel and Globe and Mail; finalized creditor mailing list with D. Hornbostel; arranged for mailing of Notice and POC form; arranged for emailing.
14-Mar-2022	Fatemah Khalfan	.40	Cheque requisition x 2 prepared and sent to D. Hornbostel.
14-Mar-2022	Deborah Hornbostel	2.30	Vm to Lisa Nielson of CRA, review updated creditor listing from F. Khalfan, review file correspondence and update, review and return vm from Steve Bilskin, finalize POC and Notice to Claimants for issuance, instructions to F. Khalfan for issuance, review Alectra invoices and approve for payment, email to R. Nicholson re documentation for closing of transaction, review amended draft ad and pricing, provide final instructions re changes and placement in G&M, review emails re Nicholson and Wildeboer team, review and respond to email from T. Dolny.
15-Mar-2022	Fatemah Khalfan	.40	Posting done to Sitecore; prepared Draft Affidavit of Mailing claims procedure Notice and Proof of claim form.

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15-Mar-2022	Deborah Hornbostel	.20	Review and respond to email from R. Pauls of Diamond Law re RPN.
16-Mar-2022	Sheldon Title	1.00	Review of amending agreement and email to R. Nicholson on same email from D. Hornbostel on learning of bare trust agreement; email to/from Hornbostel and direction to Hornbostel on same with regards to her emails with Bass seeking clarity; emails to/from Bass on bare trustee agreement; emails exchanged with Thornton/Nicholson on implications arising from bare trustee agreement.
16-Mar-2022	Fatemah Khalfan	.40	Call from Alectra re POC to be submitted; told the agent that I would have to discuss with Trustee and get back to her; sent email to D. Hornbostel who advised that she had spoken with Alectra.
16-Mar-2022	Fatemah Khalfan	.30	Email and phone call from J. Koza at Simcoe Block; acknowledged email back, and sent email to D. Hornbostel.
16-Mar-2022	Fatemah Khalfan	.10	Tear sheet requested from the Globe and Mail; received back and saved to client folder.
16-Mar-2022	Deborah Hornbostel	2.20	Review and respond to emails from B. Larsen (2) and T. Guergis, provide requested info, tcs from Jeff Koza representing Simcoe Block, review emails from all lawyers re closing of transaction on 24th, tc from Ava from Alectra Utilities, review email from Lee Bass regarding tax implications from the sale, respond to him via email, review further information and bare trustee doc provided, email to S. Title to advise of situation, review several emails from S. Title, R. Nicholson and R. Thornton on the situation, email to B. Larsen to seek confirmation on execution on the bare trustee agreement, email to L. Bass to advise of status, review response, provide court order to him re disclosure of information, review Amending Agreement re closing date.
17-Mar-2022	Sheldon Title	.20	Call with Nicholson and email to Nicholson the trust agreement.
17-Mar-2022	Fatemah Khalfan	.30	Cheque requisition prepared for Globe and Mail Invoice and sent to D. Hornbostel; received back and put through Ascend for e-signing.
17-Mar-2022	Fatemah Khalfan	.40	Affidavit of mailing done for Claim Process; sent to M. Lem.
17-Mar-2022	Deborah Hornbostel	1.50	Review emails from R. Thapar and R. Nicholson re Amending Agreement changes, execute final version and email to R. Nicholson, review emails with counsel and S. Title re Trust Agreement implications, tc with

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			B. Larsen re Trust Agreement, email update to team to confirm execution and cooperation by 7 Gen wrt any sales and claims notification requirements, review and log claims of Tatham and MNP, acknowledgement emails.
18-Mar-2022	Sheldon Title	.30	Emails with Deborah/Rachel on (i) closing related issues/trust agreement and (ii) responding to the purchasers request that closing proceeds be paid to TGF and not MNP.
18-Mar-2022	Fatemah Khalfan	.30	Printed 3 cheques from Ascend and arranged for mailing.
18-Mar-2022	Deborah Hornbostel	1.80	Review draft escrow email, receipt of fully executed Amending Agreement, emails with R. Nicholson on it and claims procedure compliance, receipt of Trust Agreement from L. Bass and related email from B. Larsen, prepare for and attend mtg with counsels re closing plans, respond to email from J. Borne re closing adjustments, email to B. Larsen to advise of documents to be executed by 7 Gen, review emails from D. Michaels re delivery of closing proceeds, instructions to R. Nicholson re same, review and respond to email from R. Tuzzi re closing date and keys, updates to S. Title re closing plans and Trust Agreement, respond to email from D. Richer for closing update, review preliminary SOA, review responding email from D. Michaels re closing proceeds, fwd to S. Title, review and share his response with R. Nicholson for f/u.
21-Mar-2022	Sheldon Title	1.00	Emails with R. Nicholson on CRA issues given the existence of the bare trustee agreement; further review of closing documents and emails relating to HST collection issue; further emails on property taxes and other closing related issues.
21-Mar-2022	Fatemah Khalfan	.10	Received signed and sworn Affidavit back from M. Lem; saved to client folder.
21-Mar-2022	Deborah Hornbostel	2.80	Review of escrow email, various draft closing documents, provide environmental reliance letter, emails with all secured lenders for wire transfer info, email to B. Larsen re o/s info and wire instructions re Maria Larsen security, review of claim from WSP, provide Alectra Utility invoices to purchaser's counsel for a/c set-up, instructions to F. Khalfan for meter reading, email to R. Tuzzi for delivery of keys, respond to email from B. Walford re sales status.

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22-Mar-2022	Sheldon Title	.30	Review of revisions made to closing documents by the purchaser and exchanges with Nicholson and Born on same.
22-Mar-2022	Chahna Nathwani	.20	Scanned/Reviewed and sent invoices to Deborah, Saved copies under directory folder.
22-Mar-2022	Fatemah Khalfan	.20	Email sent to Alectra Utilities requesting meter reading on 2 accounts.
22-Mar-2022	Deborah Hornbostel	.50	Review several emails concerning sales transaction issues, review mail from City of Barrie, confirm SOA amounts, respond to S. Title on property tax arrears.
23-Mar-2022	Sheldon Title	.30	Emails exchanged with Nicholson re: Blake's request for stmt on flow of funds.
23-Mar-2022	Fatemah Khalfan	.20	Teams call with D. Hornbostel on property tax arrears and water arrears; email received for cheque requisitions; search file for paper notices.
23-Mar-2022	Fatemah Khalfan	.40	Received email from Alectra Utilities and sent update to D. Hornbostel; Teams call with D. Hornbostel on this; phone call to Alectra Utilities re: meter reading on two accounts; spoke with agent who explained the process to me; sent email to D. Hornbostel with this information.
23-Mar-2022	Fatemah Khalfan	.30	Call with D. Hornbostel on OnRoute Media cheques; scanned the one received from R. Bernakevitch; hold, do not deposit.
23-Mar-2022	Deborah Hornbostel	9.80	Review and respond to issues regarding closing documents, review information from B. Larsen re M. Larsen security, update team and fwd documents for review, tcs with B. Larsen re same plus execution of documents by 7 Generations, emails and discussions with counsels re same, verify property tax and utility account payments to be made, seeks authorizations from counsels for payment directions to them, calculate and prepare supporting documentation for all distributions to secured creditors, email with K Avison, seek payment instructions for repayment of Receiver's Certificate, instructions to F. Khalfan for payment of secured creditors, Avison Young, property taxes, water bills, Schnarr lien, Alectra close out, review and approve updated escrow schedule, provide contact info to counsel for all lease parties, confirm payment terms and cheques on hand, provide wire transfer info for closing, provide verbal confirmation of details to Freeman of Cassels, email from R. Tuzzi confirming delivery of keys, update counsels on that, review all documents for execution,

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			email to Brendan Wu re incorrect property tax undertaking, review SOA, execute closing documents and send in escrow.
24-Mar-2022	Sheldon Title	1.50	Review of calcs for distribution of secured creditors and 2nd sign off on related cheque requisitions; consideration of issue of directions in favour of payment to lawyers, etc.; exchanges of emails related to Maria Larsen claims.
24-Mar-2022	Matthew Lem	.20	Wire authorizations
24-Mar-2022	Fatemah Khalfan	4.00	Cheque requisition for Property taxes (x4) and Water (x1) prepared; cheque requisition for G. Schnarr re: construction lien prepared; Wire requisition x5, for Secured creditors, prepared; wire requisition for Avison Young prepared; sent all to D. Hornbostel and S. Title for signing; revisions made; received signed copies back; emails exchanged with TD Bank re increasing wire limit for the day; authorized all wires; printed cheque for property tax and water and attended at the bank for payment.
24-Mar-2022	Deborah Hornbostel	4.70	Review emails from S. Shchavyelyev re distribution payment instructions and amount, respond, respond to queries from S. Title re secured creditor distribution, review emails from counsels re closing documents and status, tc with R. Nicholson re new security documentation from M. Larsen and her conversation with J. DaRe, review related emails with team re go forward plans, confirm receipt of funds from Cassels and then from Michaels, confirm completion of transaction, tc and emails with R. Nicholson re distribution issues, tc to I. Aversa to request authorization from SVN for payment, respond to email from R. Pauls of Diamond re status, requisition payment for legal and receiver fees, sign cheque re property tax and water arrears, tc with F. Khalfan re issues with payments at TD Bank re City of Barrie water bill.
25-Mar-2022	Matthew Lem	.20	Wire authorizations.
25-Mar-2022	Fatemah Khalfan	4.50	Logged into TD Banking and printed a couple of wire confirmations of wires sent yesterday; sent to D. Hornbostel as well as deposit slip issued by TD Bank on payment of property taxes; Phone call to Alectra to close two accounts; Phone call to Barrie water to find out more information for making payment at the bank; update sent to D. Hornbostel; Cheque requisition for Water prepared; Wire requisition x 3

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			prepared; emails exchanged with D. Hornbostel on legal bills; sent all requisitions to D. Hornbostel, S. Title and M. Lem for signing; received signed copies back; authorized all wires; emails exchanged with M, Lem on Avison Young wire, modified and re-authorized; printed cheque for water bill and mailed out.
25-Mar-2022	Deborah Hornbostel	4.60	Seek and obtain wire instructions for TGF, emails with all secured creditors paid to confirm receipt of wires and to provide details on payment amount calculations re Computershare and RPN, review and approve various other payments including Avison, TGF, repayment of borrowings, reconcile SOA and cash receipts, prepare adjusting entries for Ascend related to sale of assets, email from B. Larsen re food truck tenant, forward to R. Nicholson for provision to purchaser's counsel, respond to email from D. Wilson re Schnarr lien payment, email exchange with K. Avison, review and admit claim from BMG Glass.
28-Mar-2022	Fatemah Khalfan	.70	Logged onto TD Bank and printed wire transactions from March 24 to 25th; checked with wire requisitions; posted entries to Ascend.
28-Mar-2022	Deborah Hornbostel	.70	Review and respond to emails from K. Avison and R. Nicholson re food truck, email to B. Larsen for related email, approve requisitions, update from F. Khalfan re accounting entry status, receipt and review of claim from Barriston Law, email to request copies of invoices.
29-Mar-2022	Fatemah Khalfan	.90	Email from D. Hornbostel re: adjustments to be made to Ascend entries/accounts; made all the adjustments and changes and sent copy of GL to D. Hornbostel for review.
29-Mar-2022	Fatemah Khalfan	.60	Cheque requisition for payment of construction lien forwarded to D. Hornbostel; received back and put through Ascend for e-signing; email exchanged with D. Hornbostel; printed cheque and arranged for courier; received signed cheque requisition for MNP Invoice from D. Hornbostel and S. Title; put through Ascend for e-signing; printed cheque and handed off to R. Bernakevitch; copies of cheque scanned and saved to client folder.
29-Mar-2022	Fatemah Khalfan	.30	Email sent to D. Hornbostel to confirm amount for investment; small discussion with D. Hornbostel on this; email sent to M. Sattler at TD Bank.

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29-Mar-2022	Deborah Hornbostel	.50	Review and approve disbursements and Ascend adjusting entries, instructions to F. Khalfan re investment of funds, email with Martin of TD to clarify investment terms, email to Lupe at Docudavit to request invoice for next quarter.
30-Mar-2022	Fatemah Khalfan	.30	Email received from D. Varcoe re: April cheque; email exchanged with D. Hornbostel on this; reply email sent to D. Varcoe along with copy of cheque and ripped up cheque.
30-Mar-2022	Deborah Hornbostel	.20	Review emails from R. Bengino re M. Larsen security documentation.
31-Mar-2022	Fatemah Khalfan	.90	Checked TD Bank account; balance slightly off from Ascend GL; sent email to D. Hornbostel with calculations; worked out why there was a difference and made a posting to Ascend; sent update to D. Hornbostel; email sent to M. Sattler at TD Bank with request to redeem funds from GIC, withdraw funds from trust account, and invest all funds into a new GIC.
31-Mar-2022	Deborah Hornbostel	.40	Review email from R. Nicholson and vm from B. Larsen, review POC from Zeidler and enter.
01-Apr-2022	Jim Guo	.30	Fatemah - Term deposit.
01-Apr-2022	Chahna Nathwani	.10	Invoices review and sent it to D. Hornbostel, Filing invoices under the directory and folder.
01-Apr-2022	Deborah Hornbostel	.80	Tel call from B. Larsen re status of M. Larsen security review and food truck, review and forward email from him to R. Nicholson, review and respond to email from R. Tuzzi re final bill, review email from City of Barrie re water bill payment, email to Mustafa re Zeidler claim, review emails from R. Nicholson and R. Thaper re landlord consent document and food truck.
04-Apr-2022	Fatemah Khalfan	.30	Cheque requisition prepared and sent to D. Hornbostel for signing; received back and put through Ascend for e-signing; printed cheque and mailed out; email sent to creditor that cheque was on its way.
04-Apr-2022	Deborah Hornbostel	1.30	Review and approve disbursement requisitions and cheques, review voice and emails from B. Larsen and respond, share responses with R. Nicholson and S. Title, tc with B. Larsen re distribution issues, review all documentation provided wrt M. Larsen security and email again to B. Larsen to request missing info, email update to R. Nicholson and S. Title.
05-Apr-2022	Sheldon Title	.50	Call with Nicholson, Born, Wu and Hornbostel on issues relating to Larsen claim/CRA.

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05-Apr-2022	Fatemah Khalfan	.40	Cheque requisition prepared - Aaxel Insurance - and sent to D. Hornbostel with comments; received back with revisions to be made; made revisions and re-sent to D. Hornbostel; received back; put through Ascend for e-signing; printed cheque and mailed out.
05-Apr-2022	Deborah Hornbostel	1.00	Review and approve disbursement requisition and cheque re insurance, tc from insurance agent, mtg with real estate counsel regarding Larsen documentation, review email from J. DaRe regarding Larsen mortgage.
06-Apr-2022	Fatemah Khalfan	.30	Cheques x 2 printed out and mailed; email sent to Lockit Key & Security advising.
06-Apr-2022	Deborah Hornbostel	.30	Emails with R. Nicholson re Larsen security, vm from B. Larsen, email update to him
07-Apr-2022	Fatemah Khalfan	.50	Teams call with D. Hornbostel re Water bill; call to Barrie Water to get final amount; sent information to D. Hornbostel.
07-Apr-2022	Deborah Hornbostel	.90	Review emails from John DaRe, B. Larsen, R. Nicholson and J. Born re security review, respond to B. Larsen, review and respond to emails from Daniel Michaels re closing undertakings wrt payment of tax and utility accounts, investigation into unknown water invoice, provide related instructions to F. Khalfan.
08-Apr-2022	Sheldon Title	.40	Review/consider DaRe claim, emails with Hornbostel on same, email from Larsen to Hornbostel.
08-Apr-2022	Fatemah Khalfan	2.00	Phone call with S. Galbraith of Barrie City Hall re payment of outstanding water account; prepared cheque requisition and sent to D. Hornbostel; received back; put through Ascend; printed cheque and attended at bank for deposit; sent confirmation/deposit slip to D. Hornbostel and S. Galbraith; received confirmation from S. Galbraith.
08-Apr-2022	Deborah Hornbostel	1.60	Review of claim from John DaRe, email to S. Title re claim issues, review vm from B. Larsen, email to R. Nicholson for status update, review City of Barrie documentation and approve requisition and payment of water bill, email proof of payment to counsels, view response from S. Title on DaRe claim, email to R. Nicholson for review of claim, view and respond to email from B. Larsen.
11-Apr-2022	Deborah Hornbostel	.50	Review draft questions from B. Wu re Larsen security and respond, review and respond to email from B. Larsen and R. Nicholson re per diem interest.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
12-Apr-2022	Fatemah Khalfan	.70	Called Alectra to find out about final bills; spoke with representative who confirmed amounts o/s on two accounts; sent information to D. Hornbostel; prepared cheque requisitions x 2 and sent to D. Hornbostel; received back with some revisions to be made; made revisions and put through Ascend for e-signing; printed cheques; scanned and saved to client folder; arranged for mailing; sent update to D. Hornbostel.
12-Apr-2022	Deborah Hornbostel	.30	Review and approve disbursements, email to D. Michaels re Receiver's Undertaking compliance.
13-Apr-2022	Deborah Hornbostel	.80	Return tc to Tony Gergus re claims process and various creditors.
18-Apr-2022	Sheldon Title	.40	email to Nicholson/Hornbostel on Blake's email; review of Nicholson's comments on DaRe's claim, review of Colliers claim.
18-Apr-2022	Deborah Hornbostel	1.60	Review correspondence from John DaRe re M. Larsen security, review and respond to email from B. Larsen, emails with R. Nicholson re B. Larsen's email and claims procedures wrt confidentiality agreement requirement, provide copies of claims to date to R. Nicholson, receipt and review of claim from Colliers, review emails from R. Nicholson re DaRe claim and NDA drafting.
19-Apr-2022	Deborah Hornbostel	3.50	Email to Matthew Hawkins of Colliers regarding detailed proof of claim concerns, review comments from R. Nicholson re J. DaRe claim, tc with her to discuss claim concerns and M. Larsen mortgage, email to J. DaRe to address claim concerns and request further info, review responding email from M. Hawkins and supporting report and reply, review draft NDA from R. Nicholson, finalize and issue to B. Larsen for execution.
20-Apr-2022	Sheldon Title	.50	call with D. Hornbostel on B. Larsen email, discussion on distribution, etc.
20-Apr-2022	Deborah Hornbostel	1.90	Review and respond to email from B. Larsen re estate funds and status of legal review on M Larsen security, discussion with S. Title re disclosure concerns wrt general ledger info to B. Larsen and eventual court approval for Larsen distribution, prepare SRD and email it to B. Larsen.
21-Apr-2022	Deborah Hornbostel	1.20	Review and verify amended claim from Colliers, enter into database, review affidavit of mailing to creditors for creditor inclusions, review of response from John

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			DaRe re POC queries, email to him to request further information and amended claim.
22-Apr-2022	Deborah Hornbostel	.20	Update emails from R. Nicholson and J. DaRe.
25-Apr-2022	Deborah Hornbostel	.90	Receipt and review of amended claim from J. DaRe, f/u email to him re retainer, circulate claim with comments to team, respond to query from R. Nicholson, discussion with her on claim, email to S. Title re same, receipt and review of claim from Maria Larsen provided by J. DaRe, circulate to team, update from R. Nicholson re Wildeboer review status, email to J. DaRe re M. Larsen claim.
26-Apr-2022	Sheldon Title	.40	Email with Nicholson; call with Nicholson, Thornton, and Hornbostel.
26-Apr-2022	Deborah Hornbostel	.80	Email to B. Larsen summarizing claims filed to date, cc with counsel to review J. DaRe claim, tc with M Sattler TD re upcoming term deposit rate
27-Apr-2022	Deborah Hornbostel	.50	Review of claim from 2603011 Ontario Inc., email to S. Fallico re claim deficiencies and request for further info, respond to email from B. Wu re M Larsen claim review mtg.
28-Apr-2022	Deborah Hornbostel	.60	Review of Simcoe Block claim submission, email to Elaine for further support, review response from Stella Fallico re claim submission, receipt of claim from Morris Financial Group, update Ascend, review email from M Saddler re investment rates.
29-Apr-2022	Sheldon Title	.30	Call with Wu, Nicholson, Born, Hornbostel on Larsen claim/claims process.
29-Apr-2022	Deborah Hornbostel	3.60	Review various claims submitted by Arkadi Bouchelev, Todd Guergis, and Morris Group Financial, email to Arkadi to request missing page, prepare summary listing of claim submissions and email to B. Larsen, vm and em to Jerrold Creighton of Rockwood Kitchens to request further info, update claims register, attend cc with counsels wrt Maria Larsen claim issues, review and respond to email from B. Larsen, review comments on 3 claims from R. Nicholson and respond, email to her to provide summary of claim submissions and copies of claims not previously provided to her.
01-May-2022	Deborah Hornbostel	.50	Review returned emails from B. Larsen, text him all claims filed in claims process, exchanges via text, test to new email address.
02-May-2022	Deborah Hornbostel	.80	Email to Glenn Willis & Eddie Gao re filing of the tax returns for the entities, email exchange with B. Larsen re claims, provide NDA again, review email

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			from R. Nicholson re her and Wildeboer's conversation with J. DaRae, Emails with M. Sattler of TD re re-investment of term deposit.
03-May-2022	Deborah Hornbostel	.50	Tel call with B. Larsen, email to R. Nicholson re NDA, review emails between her and J. DaRe.
04-May-2022	Sheldon Title	.50	Call with Phoenix related to his discussions with B Larsen; email exchange with Hornbostel on taxes and timing of meeting with Nicholson on claims determination.
04-May-2022	Deborah Hornbostel	1.00	Discussion with S. Title re J. DaRe response to R. Nicholson re Larsen mtg and NDA for Blake and claims procedure order, mtg with Eddie Gao to discuss corporate tax returns and HST, verify past filings and email to S. Title re tax filing plans, tc with R. Nicholson to request amendments to NDA for Larsen and arrange mtg for review of claims.
05-May-2022	Sheldon Title	.60	Call with Phoenix, emails with Hornbostel and Nicholson on NDA; call with Nicholson re: Larsen's concerns on NDA as expressed by Phoenix and call with Hornbostel to follow up.
05-May-2022	Deborah Hornbostel	2.30	Review proposed amendments to NDA from R. Nicholson, prepare NDA for execution, review email from Blake requesting NDA, update team, email to Kal Ruprai re tax consulting issues, email to Eddie Gao to provide SRD and update on tax issues, review several emails from B. Larsen, discussion/ update from S. Title re Blake's counsel and R. Nicholson forthcoming amendments, tc with B. Larsen to update him on status of NDA and claims process.
06-May-2022	Sheldon Title	.10	Email exchange with Nicholson, review of revised wording on NDA; call with Phoenix on his discussion with Larsen on NDA.
06-May-2022	Eddie Gao	1.80	Meetings, review materials, clarify returns to prep.
06-May-2022	Deborah Hornbostel	1.50	Review of draft revised NDA from R. Nicholson, finalize and issue to B. Larsen for execution, reconcile bank ac and prepare current SRD and 246 notice, email to F. Khalfan to request postings to Ascend re term deposit and interest.
09-May-2022	Kal Ruprai	.50	Dw D. Hornbostel - 3 bare trustee entities have title, one entity is ben'al owner - gst/hst reporting issues.
09-May-2022	Fatemah Khalfan	.80	Posting of GIC redemption and purchase to Ascend; checked GL and TD Bank account and sent update to D. Hornbostel; email sent to Aaxel Insurance inquiring as to whether they received our cheque or not; response received and sent to D. Hornbostel.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
09-May-2022	Deborah Hornbostel	3.30	Discussion with K. Ruprai re HST filings, update to S. Title re same. emails to discuss, email from Fatemah re Ascend updates, finalize and fax in 246(2) report to OSB, prepare summary of claims received and basic issues/deficiencies, receipt and review of revised NDA from B. Larsen, prepare blackline of changes, email to B. Larsen for confirmation of change intentions, and send to R. Nicholson for review, receipt of comments, prepare amended NDA and blackline for issuance to B. Larsen.
10-May-2022	Deborah Hornbostel	1.50	Send NDA to B. Larsen, review receipt, request date acknowledgement, receipt of jpegs, prepare pdf of executed NDA and email copy to R. Nicholson, email all claims to B. Larsen, tc from him to discuss various claims, tax returns, M. Larsen mtg, email to R. Nicholson re status of Wildeboer f/u questions, email from G. Phoenix, review and respond to email from J. Papazian re Morris claim.
11-May-2022	Sheldon Title	1.90	Review of claims filed and notes thereon; call with Nicholson, Hornbostel and Srikaruna on claims.
11-May-2022	Eddie Gao	.50	Discussions with Matthew.
11-May-2022	Matthew Chong	.25	Meeting with Eddie regarding T1s.
11-May-2022	Deborah Hornbostel	3.20	Review email from G. Phoenix and respond, attend mtg with TGF counsel to review claim submissions, review and respond to emails from B. Larsen, request specific info from him re specific claims, emails to claimants Todd Guergis, Tony Guergis, Colliers, S. Falico, WSP, Simcoe Block, Rockwood to request further information and clarification on their claims, review site photos to locate kitchen installation photos, email same to S. Title and R. Nicholson.
12-May-2022	Sheldon Title	.40	Email from Hornbostel forwarding Blake's comments on delay of determining the Larsen secured claim, call with R. Nicholson re: Wildeboer review of Larsen secured claim; email with Hornbostel afterwards.
12-May-2022	Deborah Hornbostel	.70	Email to R, Nicholson for update on Wildeboer letter, respond to Blake Larsen re M. Larsen security review, review and forward response to S. Title for further action, locate Barriston Law claim and send further request for supporting dockets and invoices, email claim to R. Nicholson and to B. Larsen for comments, review email from B. Larsen and provide proof of date of filing of Barriston claim, update from R. Nicholson re Wildeboer forthcoming letter.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
13-May-2022	Sheldon Title	.30	Review of draft letter from J. Born and provide comments on same.
13-May-2022	Deborah Hornbostel	.90	Review and comment on draft letter from B. Wu of Wildeboer to J. DaRe, review further comments from Rachel and Sheldon and further revised letter from B. Wu, respond to email from B. Larsen re status of letter, tc from him re status, receipt of contact info from him for Maria Larsen, forward to team to request copy of letter to be sent to her, review email from B. Wu to J. Dare, review email from B. Larsen claiming non-receipt of email, provide him with time of email issuance.
13-May-2022	Deborah Hornbostel	2.80	Review correspondence from Colliers and WSP regarding claims, review responding emails from Todd Guergis, Elaine Sinclair (Simcoe) and Stella Falico re forthcoming info, email to Elaine Sinclair for further confirmation, email to Nadine of BMG for clarification on claim/debtor, update summary schedule for comments and email to R. Nicholson, provide additional Colliers documents to B. Larsen, update Ascend re WSP and Barriston LLP, further email from Elaine of Simcoe Block, email from Jerrold of Rockwood Kitchens, respond, review email from R. Nicholson, review further email from Jerrold of Rockwood.
17-May-2022	Sheldon Title	.20	Review of John DaRe's response to Wildeboer letter.
17-May-2022	Deborah Hornbostel	.40	Review correspondence from J. DaRe, email to R. Nicholson and B. Wu for prompt response on any remaining issues on the matter, email to R. Nicholson re payment date of TGF invoices.
19-May-2022	Deborah Hornbostel	2.50	Email exchange with R. Nicholson re claims and Larsen mtg status, tel call from B. Larsen, review various email correspondence and update claims summary of issues, review details on proposed mediator, review email from B. Larsen re concerns regarding Barriston Law claim, vm to J. Valler to request provision of info not received, email to Jerrold Creighton (Rockwood), Todd Guergis, N. Gasper (BMG Glass).
20-May-2022	Sheldon Title	.80	Review of summary, attendance at call with Nicholson, Hornbostel on claims status.
20-May-2022	Deborah Hornbostel	3.30	Review Colliers invoices with Matthew Hawkins, updating of summary of claims, verify all responses to date, email same to R. Nicholson and S. Title for discussion meeting, receipt and review of invoices

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			from Barriston law, forward to B. Larsen and R. Nicholson, attend mtg with Rachel and Sheldon to discuss M. Larsen mtg claim (pending final review and report from Wildeboer) and unsecured claims, email to A. Bouchelev re Tony Guergis claim, review of all emails provided by J. Creighton regarding work undertaken, fwd to S. Title and R. Nicholson with comments, review email from B. Larsen re Barriston invoices.
24-May-2022	Chahna Nathwani	.40	Translating introduction paragraph to French as per Heather's email.
24-May-2022	Deborah Hornbostel	.30	Review and respond to email from Todd Guergis re claim.
25-May-2022	Sheldon Title	.10	Email from Shurabi Srikaruna of TGF on interest rate issue on Tatham Engineering claim.
25-May-2022	Deborah Hornbostel	1.00	Email exchange with E. Gao re status of T2 filings, email to R. Nicholson re Wildeboer status of review, review email from S. Srikaruna re Tatham interest rate, review update from R. Nicholson, tc with B. Larsen, review vms from T. Guergis and email from Todd Guergis, email to Sonya and Bryan at Stanton to request copy of Engineering Services Agreement.
26-May-2022	Matthew Chong	3.00	Reviewing information provided, setting up T2 for 2738283, 2838284,2738285.
26-May-2022	Chahna Nathwani	.20	Sitecore uploading of Service List under English and French webpages.
26-May-2022	Deborah Hornbostel	4.80	Review email from B. Larsen re Tony Guergis claim, review Tony's claim submission and tc with him to review issues, review emails from B. Larsen re Barriston and Colliers and seek clarification, review all emails from Blake re claims for completeness, update claim tracker with recommendations, email to Akhil to calculate applicable interest charges on Barriston claim. Review email from Sonya of Tatham and related documents, summarize and email to TGF for interpretation of applicability re interest rate.
27-May-2022	Sheldon Title	1.00	Call with Hornbostel re: status of claims/process for distribution.
27-May-2022	Eddie Gao	.30	Review T2s.
27-May-2022	Akhil Kapoor	.20	Interest computation on invoices received from a creditor (as per the terms of the invoice) who has filed proof of claim in a receivership proceedings and discussion with Deborah.
27-May-2022	Matthew Chong	1.20	Quick review of the file, print off and finalization documents to Deborah

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
27-May-2022	Deborah Hornbostel	4.50	Prepare summary claim schedule and circulate to S. Title and R. Nicholson for review and discussion, meeting with S. Title to discuss claims submissions and Receiver's positions on acceptance thereof for each and go forward strategy for court approval of claims and interim distribution, tc with R. Nicholson re status of Wildeboer review, discussion on claims position and go forward strategy for court approvals and date, review and respond to emails from G. Phoenix for a mtg, tc from B. Larsen for update of status of issues, advise him of proposed plans, review various AP listings received from B. Larsen, forward listing with B. Larsen comments to R. Nicholson and S. Title, prepare and email letter to B. Larsen detailing claims to be accepted by Receiver pursuant to P19 of Order, review of email from Tony Guergis, respond to email from Todd Guergis wrt his claim.
28-May-2022	Sheldon Title	.40	Review of Wildeboer letter and emails with Deborah and Rachel on claims process.
30-May-2022	Sheldon Title	1.20	Attendances on calls with Hornbostel/Nicholson in advance of meeting with Phoenix, review of Wildeboer letter and other supplementary info on claims, call with Phoenix, Nicholson and Hornbostel; call and email with Hornbostel on tax return filings.
30-May-2022	Matthew Chong	1.25	Updating returns.
30-May-2022	Deborah Hornbostel	3.80	Review emails from B. Larsen and Todd Guergis, prepare responding emails, review further response from Todd Guergis, mtg with S. title and R. Nicholson to discuss claims and Wildeboer security review, forward Larsen and Guergis emails to R. Nicholson, review amended draft letter from Wildeboer, attend mtg with G. Phoenix and team to update on status, review and respond to email from S. Franks of Tatham, review draft tax signing docs, email to M. Chong to advise of required changes, discussion with him re same, respond to Todd Guergis again, emails to G. Phoenix and B. Larsen to provide additional info from Tatham and Rockwood, review amended service list and arrange for posting.
31-May-2022	Fatemah Khalfan	.10	Email sent to D. Hornbostel if email should be sent to M. Sattler at TD Bank advising not to reinvest term deposit at the end of the week.
31-May-2022	Deborah Hornbostel	1.40	Review and respond to email from B. Larsen re Rockwood, review further response, review email from Sharubi re Tatham documents, email to her,

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			response from R. Nicholson, review several emails from Tony Guergis, provide them to S. Title and R. Nicholson for consideration, review responses, review draft tax returns and request amendments, email Tony Guergis emails to Blake and Graham.
01-Jun-2022	Matthew Chong	.70	Emails update T2.
01-Jun-2022	Fatemah Khalfan	.40	Searched for outstanding MNP Ltd Invoice and TGF Invoices; emails exchanged with D. Hornbostel on funds to redeem from GIC and funds to be reinvested.
01-Jun-2022	Deborah Hornbostel	1.10	Review and execute corporate tax documents for filing 2020 and 2021 returns, fwd to M. Chong for filing, instructions to FK re accounts payable and term deposit renewal.
02-Jun-2022	Matthew Chong	.20	Emails.
02-Jun-2022	Fatemah Khalfan	1.30	Emails exchanged with D. Hornbostel and M. Sattler re redemption/re-investing of GIC; prepared CDIC form for D. Hornbostel and sent to her for signing; received back; sent to M. Sattler along with instructions for GIC; received information/confirmation back; posting done to Ascend of term deposit.
07-Jun-2022	Fatemah Khalfan	.90	Cheque requisition (MNP Ltd) and wire requisition (TGF) prepared and sent to D. Hornbostel and M. Lem for signing; received back and saved to client folder; authorized wire and sent to M. Lem for his authorization; received back and saved to client folder; put cheque through Ascend for e-signing; sent D. Hornbostel a summary of the difference between the trust account and Ascend GL.
07-Jun-2022	Deborah Hornbostel	.40	Review and approve cheque and wire requisitions, verify bank balance, respond to email from Justin Papazian, review email from M. Chong re confirmation of filing of returns.
08-Jun-2022	Fatemah Khalfan	.30	Sent email to M. Lem to e-sign cheque in Ascend; received email from S. Title that he had signed; printed cheque; scanned and saved to client folder; printed applicable Invoice; arranged for courier; sent update to S. Maillard.
08-Jun-2022	Fatemah Khalfan	.20	Logged into TD Online trust account to check on wire transfer; posted to Ascend.
08-Jun-2022	Deborah Hornbostel	.80	Email to Tony Guergis re his call, tc with him, review and update claims summary schedule and circulate to team.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
10-Jun-2022	Sheldon Title	1.80	review of Phoenix's letter on Rockwood claim, further review of claim, email to Nicholson and Hornbostel on point; participation on call with G. Phoenix, B. Larsen, D. Hornbostel, Nicholson, Srikkaruna.
10-Jun-2022	Fatemah Khalfan	.20	Received phone call from K. Hawke at Paul Sadlon motor company; they received a wire transfer from us on March 25, 2022 and wanted to confirm what it pertained to; pulled up the wire requisition and provided identifying details/information for K. Hawke.
10-Jun-2022	Deborah Hornbostel	3.10	Review email from S. Title re Rockwood claim, email to J. Creighton on queries, tc to him to discuss, review email from Shurabi re opinion on entitlement to equity distribution, mtg with B. Larsen and counsel to review claims and intended plan of action for distribution, email to E. Sinclair re required corrections to Simcoe Block claim, updates to summary of claims tracking schedules, further email exchanges with E. Sinclair.
13-Jun-2022	Deborah Hornbostel	2.40	Review documents from B. Larsen and T. Guergis, tc with Tony Guergis to discuss his claim and payments made to date, summarize o/s claim issues in email to S. Title and R. Nicholson, review Rachel's responding email.
14-Jun-2022	Sheldon Title	.30	Review of Wildeboer invoice, emails with Nicholson/Hornbostel on same.
14-Jun-2022	Deborah Hornbostel	.40	Review Wildeboer recent invoice and TGF invoices for disbursements and respond to email from Rachel, review and respond to email from Leslie Price of Barriston Law.
16-Jun-2022	Sheldon Title	.30	Emails with Nicholson after receipt of additional info from Phoenix on claims.
16-Jun-2022	Fatemah Khalfan	.30	Email received from the OSB about overpayment on the filing fees; sent to D. Hornbostel; email sent to OSB requesting refund.
16-Jun-2022	Deborah Hornbostel	1.60	Update from S. Title re potential claims settlements, review email from OSB re filing fees, commence Court report 2 drafting, review emails from R. Nicholson and G. Phoenix re claims and respond, review and respond to email from Wiesje Henderson of RWDI.
17-Jun-2022	Sheldon Title	.70	Call with Phoenix, Nicholson, Hornbostel on remaining disputed claims, follow up emails from Hornbostel on same.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
17-Jun-2022	Deborah Hornbostel	3.80	Review and respond to further email from Wiesje Henderson re claims process, review various emails from team wrt claims issues, vm to J. Creighton of Rockwood, review invoicing and payments re Tony Guergis, prepare summary and email opinion to S. Title and R. Nicholson for discussion, attend mtg with team and G. Phoenix re claims of Todd and Tony Guergis and Rockwood, review and respond to subsequent email from G. Phoenix, and then again.

SUMMARY OF TIME CHARGES

Professional		Hourly Rate Feb	Hourly rate March to May	Hourly Rate June	Total Hours	Amount
Sheldon Title	Partner - Principal		\$685.00	\$695.00	31.00	\$21,266.00
Deborah Hornbostel	Partner - Principal	\$645.00	685.00	695.00	163.40	112,065.00
Matthew Lem	Partner - Principal	600.00	600.00		.40	240.00
Kal Ruprai	Partner - Principal - Specialty Tax		685.00		.50	342.50
Eddie Gao	Senior Manager A - Tax		422.50		2.60	1,051.00
Matthew Chong	Designated Professional - Tax		277.00	294.00	6.60	1,843.50
Akhil Kapoor	Manager A - Insolvency		434.00		.20	86.80
Chahna Nathwani	Analyst - Insolvency		236.00		1.30	306.80
Fatemah Khalfan	Analyst - Insolvency		236.00	250.00	31.60	7,500.80
Jim Guo	Admin - Corporate		213.00		.30	39.60
TOTAL					237.90	\$144,742.00

Invoice



Invoice Number : Draft * Client Number : 0921591
Invoice Date : Jun 22 2022 Invoice Terms : Due Upon Receipt

2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.
c/o MNP LTD.
300-111 RICHMOND STREET WEST
TORONTO, ON M5H 2G4

For Professional Services Rendered :

For services related in the matter of the Receiverships of 2738283, 2738284 and 2738285 Ontario Inc, for the period from February 23, 2022 to June 17, 2022 (detailed time descriptions attached)	144,742.00
Harmonized Sales Tax :	<u>18,816.46</u>
Total (CAD) :	<u>163,558.46</u>

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Note * This invoice is issued in draft for internal accounting purposes only

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNP.ca

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended,
and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**AFFIDAVIT OF DEBORAH HORNBOSTEL
Sworn June 22, 2022**

Thornton Grout Finnigan LLP

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Rachel A. Nicholson (LSO# 68348V)

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver, MNP Ltd.

APPENDIX "K"

APPENDIX "K"

Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy
and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the
Courts of Justice Act, RSO 1990, c C.43, as amended**

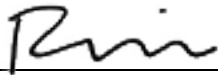
**AFFIDAVIT OF ROBERT I. THORNTON
(Sworn June 22, 2022)**

I, ROBERT I. THORNTON, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY AS FOLLOWS:

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and I am a partner at Thornton Grout Finnigan LLP (“TGF”), lawyers for MNP Ltd., the Court-appointed receiver of the Respondents (the “Receiver”). As such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.


2. Attached hereto as **Exhibit “A”** are copies of the bills of costs issued to the Receiver by TGF for fees and disbursements incurred by TGF through the course of these proceedings between March 1, 2022 through to June 17, 2022.
3. Attached hereto as **Exhibit “B”** is a schedule summarizing the bills of costs in Exhibit “A”, the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.
4. Attached hereto as **Exhibit “C”** is a schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Receiver.
5. To the best of my knowledge, the rates charged by TGF throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.
6. The hourly billing rates outlined in **Exhibit “C”** to this affidavit are comparable to the hourly rates charged by TGF for services rendered in relation to similar proceedings.
7. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver’s counsel.

SWORN remotely via video conference by
ROBERT I. THORNTON from the City of
Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of
Ontario, on this 22nd day of June, 2022, in
accordance with *O. Reg. 431/20,*
Administering Oath or Declaration
Remotely.



Commissioner for Taking Affidavits

Rachel A. Nicholson



ROBERT I. THORNTON

This is Exhibit “A” referred to in the Affidavit of Robert I. Thornton sworn remotely via video conference by ROBERT I. THORNTON from the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 22nd day of June, 2022, in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



A Commissioner for taking affidavits

EXHIBIT "A"

Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and
Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the
Courts of Justice Act, RSO 1990, c C.43, as amended**

**FIFTH BILL OF COSTS OF THE SOLICITORS TO THE COURT
APPOINTED RECEIVER**

For the period March 1, 2022 to March 31, 2022

Mar-01-22	Review and revise first report; review and respond to emails regarding same;	1.20	RIT
	Emails with R. Nicholson regarding lien issue; review of law relating to lien validity, particularly as it relates to abandonment of contracts and security in amounts posted to vacate liens; email to R. Nicholson with recommendation regarding same;	2.00	JH
	Revising draft First Report; send same to R. Thornton for review; call with D. Richer to discuss draft Approval and Vesting Order and revise same; revisions to draft First Report; revisions to Claims Process Order; circulate revised documents to Receiver; review email and documents with respect to mortgage payout and consider same; email to A. Overton with respect to same; circulate revised orders; emails with respect to real property leases; review email with respect to construction lien claim and respond to same;	6.30	RN
	Research regarding case law on late and other fees on mortgages;	2.50	AO
	Research regarding calling for claims against a non-debtor third party, affiliate or subsidiary of a debtor company; research on s.243(1) of	3.10	KC

	the BIA; email correspondence with R. Nicholson with respect to same;		
Mar-02-22	Telephone call with R. Nicholson regarding secured debt and bankruptcy motion;	0.40	RIT
	Attend call with Receiver to discuss motion materials and report; email with respect to fee affidavit; emails with K. Chan with respect to factum; emails with respect to lease agreements; call with R. Thapar to discuss same; review comments on draft AVO; review of emails with respect to discharge statements; review of appendices for report; emails with respect to same; detailed review of discharge statements and supporting documents; calls with Receiver with respect to same; receive motion for application of bankruptcy order; call with Receiver to discuss same along with status of motion materials and distributions; review draft email from A. Overton with respect to late fees charged; call with R. Thornton to discuss creditor claim and email to Receiver with respect to same; revise draft Approval and Vesting Order; email to R. Thapar with respect to same; call with M. Magni with respect to fee affidavit; emails with respect to creditor payout statement;	5.50	RN
	Research regarding charge by lawyers as security for fees;	1.30	AO
	Further research on cases discussing a Receiver's role and duty calling for non-debtor third party claims; research on cases on duty of Receivers to all stakeholders; email correspondence with R. Nicholson with respect to same;	3.90	KC
Mar-03-22	Review and respond to emails regarding meeting materials and orders; review and respond to emails regarding motion for bankruptcy; review and swear of fee affidavit; review and revise draft orders and review and respond to emails regarding same;	1.40	RIT
	Review email from R. Thapar with respect to Approval and Vesting Order; revise same and emails with respect to same; review draft fee affidavit and provide comments on same; review redacted appendices; call with J. Bogle; email to Receiver with respect to same; review draft Service List and emails with respect to same; review report and revise same; drafting notice of motion; emails with respect to same; review compiled motion record and emails with respect to same; call with J. Born to discuss order; serve motion record;	8.70	RN
Mar-04-22	Telephone call with R. Nicholson; review and respond to NDA for Blake; review and respond to emails regarding same;	0.30	RIT
	Call with S. Title to discuss various matters including response to lift stay motion; draft NDA; emails with respect to same; consider charges on payout statement and calls (x2) with D. Hornbostel to discuss same; email to A. Overton with respect to same; call with R. Thapar with respect to closing date; emails with Receiver with respect to same; revise draft Non-Disclosure Agreement and send to Receiver for review; send same to J. Bogle;	3.20	RN
	Research regarding mortgage early repayment fees;	1.40	AO

	Draft Receiver's Factum for motion to obtain AVO and Claims Process Order;	3.60	KC
Mar-05-22	Research on test to lift the stay in a receivership; email correspondence with R. Nicholson regarding same;	0.40	KC
Mar-06-22	Drafting factum; reviewing case law with respect to same; send email to K. Chan with respect to additional research required; email draft factum to R. Thornton for review; emails with R. Thornton with respect to same;	5.30	RN
Mar-07-22	Review and revising factum; review and respond to emails regarding same; review of revisions to report and emails regarding same;	0.90	RIT
	Emails with M. Magni with respect to Caselines; emails with respect to Service List; emails with respect to confidential appendices; call with B. Jaffe to discuss claims process; email to Receiver with respect to same; emails with respect to Zoom Link for motion; call with P. Benipal with respect to motion; review and revise draft factum; call with D. Hornbostel with respect to motion record and confidential appendices; emails with respect to same; revise draft report and prepare appendix; email to Receiver with respect to same; instructions to M. Magni with respect to same; finalize materials;	4.70	RN
	Review email from R. Nicholson; updating Factum, footnotes, citations, Schedules; email to R. Nicholson;	1.00	BJB
	Emails with M. Magni regarding filing of amended motion record;	0.30	RGM
	Research for cases on various legal issues for draft factum; email correspondence with R. Nicholson with respect to same;	4.20	KC
Mar-08-22	Review and respond to emails with R. Nicholson; review of court documents;	0.50	RIT
	Email Confidential Appendices to judge; emails with respect to Caselines; review email from B. Jaffe with respect to claims process; call with B. Jaffe to discuss same; email to Receiver with respect to same; review revised Approval and Vesting Order; email same to R. Thapar; emails with B. Jaffe with respect to Claims Process Order; revisions to same; email to Receiver with respect to same; call with S. Title to discuss tax liability; review email with respect to same;	4.20	RN
	Review email from R. Nicholson; uploading Factum to CaseLines and hyperlinking same;	0.80	BJB
	Emails with M. Magni regarding hyperlinking of motion record for CaseLines and issues with same; further emails regarding counsel slip and Participant Information sheet to be uploaded into CaseLines and provide form for same;	0.50	RGM
Mar-09-22	Telephone call with R. Nicholson regarding settlement; review and respond to emails regarding same; review of documents;	0.80	RIT
	Call to P. Benipal with respect to calendar invitation; Email to B. Jaffe with respect to tax liability; call with B. Jaffe to discuss Claims Process Order; revise same and emails with respect to same; emails with respect to Management Agreement; review draft participant slip; call with R. Thapar to discuss assignment of leases; call with R.	2.80	RN

	Thornton with respect to same; call with K. Chan with respect to same; call with B. Wu; revisions to Approval and Vesting Order and circulate same; run comparisons and serve revised orders to Service List;		
	Research on Ontario's Residential Tenancies Act and termination of residential tenancy by a Receiver; email correspondence with R Nicholson with respect to same;	2.00	KC
Mar-10-22	Review and respond to emails with R. Nicholson regarding outcome of court hearing;	0.30	RIT
	Email to R. Nicholson regarding amount of lien claim;	0.20	JH
	Prepare for motion returnable today, including review of materials and preparation of submissions; calls (x2) with D. Hornbostel with respect to First Report; attend motion returnable today; email order to Justice Penny; follow up call with S. Title; emails with respect to lien claim amount;	4.50	RN
Mar-11-22	Review and respond to emails regarding order and endorsement; review of same;	0.30	RIT
	Review emails with K. Avison with respect to closing; receive and review Endorsement of Justice Penny; send clean Claims Process Order for execution; call with D. Hornbostel to discuss same and next steps; call with R. Thapar to discuss residential tenant;	1.00	RN
Mar-14-22	Email with respect to closing documents;	0.30	RN
Mar-15-22	Emails with respect to residential lease; emails with respect to closing documents; draft Asset Purchase Agreement amending agreement; emails with respect to scheduling call with real estate counsel;	1.30	RN
	Instructions from R. Nicholson and attend to corporate search with respect to Essa Rd. Development Ltd;	0.10	RGM
Mar-16-22	Review of amending agreement and review and respond to emails regarding same; review and respond to emails regarding trust arrangement;	0.70	RIT
	Emails with respect to scheduling call with real estate counsel; emails with respect to Asset Purchase Agreement amending agreement; amend same and circulate to Receiver for review; call with R. Thapar to discuss residential lease; emails with respect to assignment agreement; emails with respect to trust agreement;	1.20	RN
Mar-17-22	Review Asset Purchase Agreement amending agreement; emails with respect to same; call with S. Title to discuss trust arrangement; review unexecuted trust agreement; circulate execution version of amending agreement; emails with respect to same; email to K. Chan with respect to trust agreement; review emails with respect to same;	1.20	RN
	Research on implications of the trust arrangement between Debtor and 7 Generations and tax implications from the sale; email correspondence with R. Nicholson with respect to same;	2.40	KC
Mar-18-22	Receive and compile executed Amending Agreement; circulate same; emails with respect to noticing for claims process; review executed	2.40	RN

	trust agreement; email to real estate counsel with respect to same; review draft escrow email with respect to closing; email to Receiver with respect to same; attend conference call with real estate counsel to discuss closing items; call with B. Jaffe to discuss transfer of beneficial interest agreement; call with J. Born to discuss statement of adjustments; emails with respect to direction of escrow amounts; review draft statement of adjustments and emails with respect to same;		
Mar-20-22	Email with respect to statement of adjustments; review comments on draft escrow email;	0.10	RN
Mar-21-22	Review and respond to emails regarding tax consequences of sale;	0.30	RIT
	Review emails and case law with respect to reporting requirements for bare trustee versus beneficial owner of property; email to R. Thornton with respect to same; email to Wildeboer with respect to same; emails with respect to closing documents; review and revise draft closing documents; email to Receiver with respect to same; review revised draft escrow email; circulate revised draft closing documents to Wildeboer; review draft closing agenda; emails with respect to payment of taxes;	3.50	RN
Mar-22-22	Emails with respect to statement of adjustments; review revised beneficial interest transfer agreement and revise same; emails with respect to same; circulate same to B. Jaffe for review; emails with respect to notice to tenants; call with J. Born with respect to same; email to B. Larsen; review and provide comments on revised closing documents; emails with respect to same;	2.50	RN
Mar-23-22	Review revised closing documents and emails with respect to same; review email from B. Larsen and emails with Receiver with respect to same; call with J. Born and D. Hornbostel to discuss same; email to J. DaRe; emails with respect to closing documents; calls (x2) with J. DaRe; emails with respect to execution of closing documents;	4.20	RN
Mar-24-22	Review of emails regarding payout to Mrs. Larsen;	0.20	RIT
	Emails with respect to executed closing documents; call with J. DaRe with respect to mortgage; call with D. Hornbostel with respect to same; review additional loan documents received and consider same; email to Receiver with respect to same; emails with respect to same; emails with respect to closing; finalize Receiver's certificate and circulate same; emails with respect to same; calls with D. Hornbostel to discuss closing and distributions; emails with respect to same;	2.60	RN
Mar-28-22	Review email with respect to chip truck on property and consent form; emails with respect to same;	0.20	RN
Mar-30-22	Receive and review documents with respect to mortgage payout;	0.40	RN
Mar-31-22	Review of security documents and emails with respect to same; emails with J. Born with respect to same; call with J. Born to discuss same;	1.30	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Robert I. Thornton	7.30	\$1,250.00	9,125.00
Rachel Nicholson	67.40	\$675.00	45,495.00
James Hardy	2.20	\$575.00	1,265.00
Alexander Overton (Student)	5.20	\$375.00	1,950.00
Katherine Chan (Student)	19.60	\$375.00	7,350.00
Bobbie-Jo Brinkman (Law Clerk)	1.80	\$325.00	585.00
Roxana Manea (Law Clerk)	0.90	\$325.00	292.50
TOTAL FEE HEREIN			\$66,062.50
HST on Fees			<u>\$8,588.13</u>
Total Fees and HST			\$74,650.63
<u>Disbursements:</u>			
Computer Research			\$320.14
Fee for searches/registrations			\$16.65
Photocopies			\$166.00
Photocopies - Colour			\$31.80
Disbursements for searches/registrations*			\$8.00
Print, tab and Bind- Various Documents			\$51.03
Filing of Motion Record*			<u>\$320.00</u>
Total Taxable Disbursements			\$585.62
HST on Disbursements			\$76.13
Total Non-Taxable Disbursements			<u>\$328.00</u>
Total Disbursements and HST			<u>\$989.75</u>
Total Fees, Disbursements & HST			<u>\$75,640.38</u>
OUR ACCOUNT HEREIN			<u>\$75,640.38</u>

Thornton Grout Finnigan LLP



Per:

Rachel Nicholson

GST No. 87042 1039RT
Matter No. 1492-002
Invoice No. 38083
Date: Apr 11/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the
Courts of Justice Act, RSO 1990, c C.43, as amended

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC

Applicants

2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC

Respondents

Court File No.: CV-21-00670723-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

**FIFTH BILL OF COSTS OF THE SOLICITORS TO THE
COURT APPOINTED RECEIVER**

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7
Fax: 416-304-1313

Robert I. Thornton (LSO# 41877E)

Tel: 416-304-0560 / Email: rthornton@tgf.ca

Rachel A. Nicholson (LSO# 68348V)

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and
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Courts of Justice Act, RSO 1990, c C.43, as amended**

**SIXTH BILL OF COSTS OF THE SOLICITORS TO THE COURT
APPOINTED RECEIVER**

For the period April 1, 2022 to April 30, 2022

Apr-01-22	Emails with respect to chip truck on premises;	0.20	RN
Apr-04-22	Emails with respect to chip truck located on property; emails with respect to charge on property; emails with respect to scheduling call with real estate counsel to discuss same;	0.40	RN
Apr-05-22	Attend conference call with real estate counsel and Receiver to discuss mortgage documents; review and consider email from J. DaRe and emails with respect to same;	0.80	RN
Apr-06-22	Emails with respect to documents for charge;	0.20	RN
Apr-07-22	Emails with respect to questions regarding charge;	0.30	RN
Apr-08-22	Emails with respect to claim received; emails with respect to correspondence from B. Larsen;	0.30	RN
Apr-10-22	Review and consider questions with respect to Larsen charge; emails with Receiver with respect to same;	0.40	RN
Apr-11-22	Emails with respect to list of questions regarding charge on property; review letter;	0.50	RN

Apr-18-22	Review email from B. Larsen to Receiver; emails with respect to same; emails with respect to claims received; review and detailed consideration of claim received; email to Receiver with respect to same; draft non-disclosure agreement and circulate same to Receiver for review;	1.60	RN
Apr-19-22	Call with D. Hornbostel to discuss various outstanding issues and claims process;	0.50	RN
Apr-21-22	Review emails with respect to claim from claimant; emails with respect to same;	0.20	RN
Apr-25-22	Detailed review and consideration of security documents and responses provided; email to schedule call to discuss same; review of amended claim; email to Receiver with respect to same; call with D. Hornbostel to discuss same;	1.70	RN
Apr-26-22	Review and respond to emails regarding proof of claim received; meeting with R. Nicholson regarding same; conference call with client regarding claims;	1.00	RIT
	Review and consider email from S. Title with respect to claim and respond to same; discuss same with R. Thornton; call with S. Title and D. Hornbostel to discuss same;	1.00	RN
Apr-29-22	Call with R. Thornton to discuss issue; review and consider proofs of claim received; email to Receiver with respect to same; call with Wildeboer to discuss charge;	1.20	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Robert I. Thornton	1.00	\$1,250.00	1,250.00
Rachel Nicholson	9.30	\$675.00	6,277.50
TOTAL FEE HEREIN			\$7,527.50
HST on Fees			<u>\$978.58</u>
Total Fees and HST			<u>\$8,506.08</u>
OUR ACCOUNT HEREIN			<u>\$8,506.08</u>

Thornton Grout Finnigan LLP



Per: Rachel Nicholson
 GST No. 87042 1039RT
 Matter No. 1492-002
 Invoice No. 38219
 Date: May 13/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
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Courts of Justice Act, RSO 1990, c. C.43, as amended

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**SIXTH BILL OF COSTS OF THE SOLICITORS TO THE
COURT APPOINTED RECEIVER**

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7
Fax: 416-304-1313

Robert I. Thornton (LSO# 41877E)

Tel: 416-304-0560 / Email: rthornton@tgf.ca

Rachel A. Bengino (LSO# 68348V)

Tel: 416-304-1153 / Email: rbengino@tgf.ca

Lawyers for the Court-Appointed Receiver

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and
Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the
Courts of Justice Act, RSO 1990, c C.43, as amended**

**SEVENTH BILL OF COSTS OF THE SOLICITORS TO THE
COURT APPOINTED RECEIVER**

For the period May 1, 2022 to May 31,

May-02-22	Email with respect to scheduling call; attend conference call with J. DaRe; send summary of same to D. Hornbostel;	0.60	RN
May-03-22	Emails with respect to confidentiality agreement; review and consider email from J. DaRe and respond to same; email to Receiver with respect to same; email to Wildeboer with respect to same;	0.70	RN
May-04-22	Call with D. Hornbostel to discuss various items; emails with respect to meeting to discuss claims;	0.70	RN
May-05-22	Emails with respect to NDA; call with S. Title to discuss same;	0.50	RN
May-06-22	Revise draft NDA; circulate same for review;	0.20	RN
May-09-22	Call with S. Srikaruna to discuss claims filed; emails with respect to meeting; emails with respect to NDA; review comments on Non-Disclosure Agreement and revise same;	0.80	RN
	Call with R. Nicholson to brief me on file and task; review claims submitted and prepare chart summarizing same for meeting with the	2.50	SHS

client;

May-11-22	Review and respond to emails regarding claims process;	0.10	RIT
	Review summary of claims and claims received; review email from G. Phoenix with respect to same; revise chart and circulate same to Receiver; attend meeting with Receiver to discuss claims; follow up call with S. Srikaruna with respect to same; consideration of claims officer and email to R. Thornton with respect to same; emails with potential claims officer;	2.50	RN
May-12-22	Call with J. Bogle; review and update summary of claims and action items following meeting with Receiver; emails with Receiver with respect to same; call with S. Title;	0.80	RN
May-13-22	Review draft letter with respect to Larsen mortgage and revise same; call with S. Srikaruna to discuss research with respect to charge; call with J. Born to discuss draft letter; review revised letter and email with respect to same; review proof of claim received and email with respect to same; review updated summary of claims and additional documents received; email to Receiver with respect to same;	2.80	RN
	Call with R. Nicholson discuss research task regarding valid secured charges;	0.50	SHS
May-16-22	Call with R. Thornton; call with potential claims officer and email with respect to same;	0.60	RN
	Research and prepare memorandum on valid secured charges and their time periods;	3.50	SHS
	Research regarding interest act provisions and application to claim;	1.50	SHS
May-17-22	Email with respect to proposed claims officer; review draft memorandum with respect to security and respond to same; call with S. Srikaruna to discuss same;	1.00	RN
May-18-22	Review of BIA and call with S. Srikaruna to discuss same; email with J. Born with respect to responses from J. DaRe; emails with S. Srikaruna with respect to research findings; review case and respond to same;	1.00	RN
	Research regarding preferences under charges to property; noting up section 95 of the BIA;	2.20	SHS
May-19-22	Emails with respect to scheduling call with Receiver to discuss claim; discussion with S. Srikaruna with respect to research;	0.30	RN
	Research regarding preferences under charges to property specifically in a receivership; research on the application of section 95 of the BIA to receiverships;	2.00	SHS

May-20-22	Telephone call with R. Nicholson regarding status of claims;	0.10	RIT
	Review further research from S. Srikaruna and consider same; review updated summary of claims and consider same; call with Receiver to discuss same; call with R. Thornton to provide update on next steps; call with J. Born to discuss charge; emails with respect to interest rate calculation;	2.30	RN
	Research regarding application of BIA in general to Receiverships;	1.00	SHS
May-24-22	Review draft email with respect to interest calculation;	0.10	RN
	Draft email to send to receiver on interest rates and how they apply in Tatham Engineering Claims and send to R. Nicholson for review;	0.40	SHS
May-26-22	Review 7 Generations Trust and Management Service Agreement to determine priority for claims distribution;	1.00	SHS
May-27-22	Call with D. Hornbostel to discuss status of claims; review draft reporting letter with respect to Larsen charge and provide comments on same;	1.00	RN
May-28-22	Review of AP listing and emails with respect to same;	0.20	RN
May-30-22	Call with Receiver to discuss claims; call with B. Wu with respect to reporting letter; call with J. Born to discuss same; review revised letter and emails with respect to same; attend call with G. Phoenix; emails with respect to service list; emails with respect to final letter; emails with S. Srikaruna with respect to claim and supporting documents; draft and send reporting email to R. Thornton;	2.00	RN
	Review documents in claim for interest rates; research on enforceability on terms and conditions; verifying invoices and authorization amounts in claim; review trust and management agreements for 7 Generations;	2.00	SHS
May-31-22	Review email from Claimant with further information; emails with respect to same; emails with respect to claim;	0.40	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Robert I. Thornton	0.20	\$1,250.00	250.00
Rachel Nicholson	18.50	\$675.00	12,487.50
Shurabi Srikaruna (Student)	16.60	\$375.00	6,225.00
TOTAL FEE HEREIN			\$18,962.50
HST on Fees			\$2,465.13
Total Fees and HST			\$21,427.63

Disbursements:

Computer Research	<u>\$242.23</u>
Total Taxable Disbursements	\$242.23
HST on Disbursements	\$31.49
Total Non-Taxable Disbursements	<u>\$0.00</u>
Total Disbursements and HST	<u>\$273.72</u>
Total Fees, Disbursements & HST	<u>\$21,701.35</u>
OUR ACCOUNT HEREIN	<u>\$21,701.35</u>

Thornton Grout Finnigan LLP



Per:

Rachel Nicholson

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 38336

Date: Jun 13/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the
Courts of Justice Act, RSO 1990, c C.43, as amended

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and **PS HOLDINGS 3 LLC**

Applicants

2738283 ONTARIO INC., 2738284 ONTARIO INC.
and **2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

SEVENTH BILL OF COSTS OF THE SOLICITORS TO
THE COURT APPOINTED RECEIVER

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7
Fax: 416-304-1313

Robert I. Thornton (LSO# 41877E)

Tel: 416-304-0560 / Email: rthornton@tgf.ca

Rachel A. Bengino (LSO# 68348V)

Tel: 416-304-1153 / Email: rbengino@tgf.ca

Lawyers for the Court-Appointed Receiver

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and
Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the
Courts of Justice Act, RSO 1990, c C.43, as amended**

**EIGHTH BILL OF COSTS OF THE SOLICITORS TO THE
COURT APPOINTED RECEIVER**

For the period June 1, 2022 to June 17, 2022

Jun-02-22	Research regarding bare trusts and review of Management Service Agreement; drafting email to R. Nicholson regarding the trust agreement and management service agreement;	1.00	SHS
Jun-03-22	Review and consider email from S. Srikaruna describing entitlement to equity proceeds; respond to same;	0.30	RN
Jun-06-22	Email with respect to profit sharing;	0.10	RN
	Follow up work on reviewing the trust agreement regarding splitting of profits; drafting email to client;	1.00	SHS
Jun-08-22	Discussion with S. Srikaruna with respect to claims and upcoming meeting with respect to same;	0.20	RN
Jun-09-22	Review email from S. Srikaruna summarizing emails with claimant;	0.20	RN
	Review claim filed and email regarding same;	1.50	SHS
Jun-10-22	Review draft email with respect to equity proceeds; review objection to payment of claim; attend meeting to discuss claims;	2.30	RN
	Attend call with the R. Nicholson, Receiver, B. Larsen and counsel	2.30	SHS

	regarding outstanding claims and their status; editing call notes;		
Jun-13-22	Review email with respect to claims and respond to same; email to G. Phoenix;	0.30	RN
Jun-14-22	Review notes with respect to call; email to S. Srikaruna with respect to same; call with S. Srikaruna to discuss NORs;	0.50	RN
Jun-16-22	Review email from G. Phoenix with respect to client's position on claims; emails with Receiver with respect to same;	0.70	RN
Jun-17-22	Call with S. Title to discuss claims; review email from D. Hornbostel; call with Receiver and G. Phoenix with respect to same; email to S. Srikaruna; emails with respect to claim;	1.30	RN
	Drafting NORs for four claims; research regarding verbal contracts pertaining to real property; drafting email with research and conclusions for R. Nicholson;	5.10	SHS

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Rachel Nicholson	5.90	\$675.00	3,982.50
Shurabi Srikaruna (Student)	10.90	\$375.00	4,087.50
TOTAL FEE HEREIN			\$8,070.00
HST on Fees			\$1,049.10
Total Fees and HST			\$9,119.10
<u>Disbursements:</u>			
Wilboer Dellelce – Invoice No. 168-2131			<u>\$34,962.86</u>
Total Taxable Disbursements			\$34,962.86
HST on Disbursements			\$4,545.17
Total Non-Taxable Disbursements			\$0.00
Total Disbursements and HST			<u>\$39,508.03</u>
Total Fees, Disbursements & HST			<u>\$48,627.13</u>
OUR ACCOUNT HEREIN			<u>\$48,627.13</u>

Thornton Grout Finnigan LLP



Per:

Rachel A. Nicholson

GST No. 87042 1039RT
Matter No. 1492-002
Invoice No. 38384
Date: Jun 20/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

E IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c. C.43, as amended

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC

Applicants

2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC

Respondents

Court File No.: CV-21-00670723-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

EIGHTH BILL OF COSTS OF THE SOLICITORS TO
THE COURT APPOINTED RECEIVER

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7
Fax: 416-304-1313

Robert I. Thornton (LSO# 41877E)

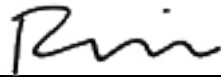
Tel: 416-304-0560 / Email: rthornton@tgf.ca

Rachel A. Nicholson (LSO# 68348V)

Tel: 416-304-1153 / Email: rmicholson@tgf.ca

Lawyers for the Court-Appointed Receiver

This is Exhibit “B” referred to in the Affidavit of Robert I. Thornton sworn remotely via video conference by ROBERT I. THORNTON from the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 22nd day of June, 2022, in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely.*



A Commissioner for taking affidavits

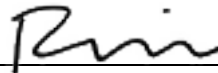
EXHIBIT "B"

**Calculation of Average Hourly Billing Rates of
Thornton Grout Finnigan LLP
for the period March 1, 2022 to June 17, 2022**

Invoice #	Fees	Disb.	HST	Total Hours	Average Hourly Rate	Total (Fees, Disb., HST)
Fifth Bill of Costs 38083	\$66,062.50	\$913.62	\$8,664.26	104.40	\$632.78	\$75,640.38
Sixth Bill of Costs 38219	\$7,527.50	\$00.00	\$978.58	10.30	\$730.83	\$8,506.08
Seventh Bill of Costs 38336	\$18,962.50	\$242.23	\$2,496.62	35.30	\$537.15	\$21,701.35
Eighth Bill of Costs 38384	\$8,070.00	*\$34,962.86	\$5,594.27	16.80	\$480.36	\$48,627.13
TOTAL	\$100,622.50	\$36,118.71	\$17,733.73	166.80	\$603.25	\$154,474.94

*Disbursement reflects invoice from Wildeboer Dellelce LLP, real estate counsel to Thornton Grout Finnigan LLP in these proceedings.

This is Exhibit "C" referred to in the Affidavit of
Robert I. Thornton sworn remotely via video
conference by ROBERT I. THORNTON from the City
of Toronto, in the Province of Ontario, before me at the
City of Toronto, in the Province of Ontario, on this 22nd
day of June, 2022, in accordance with *O. Reg. 431/20,*
Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

EXHIBIT “C”

Billing Rates of Thornton Grout Finnigan LLP

For the period March 1, 2022 to June 17, 2022

	<u>Position</u>	<u>Rate</u>	<u>Year of Call</u>
Robert I. Thornton	Partner	\$1,250	1984
Rachel A. Nicholson	Associate	\$675	2015
James Hardy	Associate	\$575	2018
Alexander Overton	Student	\$375	
Katherine Chan	Student	\$375	
Shurabi Srikaruna	Student	\$375	
Roxana Manea	Law Clerk	\$325	
Bobbie-Jo Brinkman	Law Clerk	\$325	

APPENDIX "L"

APPENDIX "L"

**In The Matter Of The Receiverships Of
2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.**

**Interim Statement of Receipts & Disbursements
As At June 20, 2022**

Receipts

Sale of Assets	\$ 29,114,520.00
Interest Earned	17,224.03
Advance From Secured Creditor	13,500.00
Rental Income	9,772.13
HST Collected	958.38
Total Receipts	<u>29,155,974.54</u>

Disbursements

Payments To Secured Creditors:	18,144,363.21
Real Estate Commission	291,000.00
Receiver Fees	239,814.30
Legal Fees	146,499.97
HST Paid On Disbursements	90,148.97
Property Taxes	52,846.72
Repayment Of Advance From Secured Creditor	13,500.00
Repairs & Maintenance	5,163.00
Advertising	4,062.62
Utilities	3,910.30
Environmental Report	2,000.00
Security	1,495.00
Insurance	332.66
Filing Fees	218.91
Bank Charges	120.00
Travel	98.06
	<u>18,995,573.72</u>

Net Receipts

\$ 10,160,400.82 Note 1

Note 1. -	Term Deposit	\$ 10,156,986.49
	Cash Balance	3,414.33
	Total	<u><u>\$ 10,160,400.82</u></u>

**In The Matter Of The Receiverships Of
2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.**

**Interim Statement of Receipts & Disbursements
As At June 20, 2022**

Receipts

Sale of Assets	\$ 29,114,520.00
Advance From Secured Creditor	13,500.00
Rental Income	9,772.13
Interest Earned	17,222.39
HST Collected	958.38
Total Receipts	<u>29,155,972.90</u>

Disbursements

Payments To Secured Creditors:	18,144,363.21
Real Estate Commission	291,000.00
Receiver Fees	239,814.30
Legal Fees	146,499.97
HST Paid On Disbursements	90,148.97
Property Taxes	52,846.72
Repayment Of Advance From Secured Creditor	13,500.00
Repairs & Maintenance	5,163.00
Advertising	4,062.62
Utilities	3,910.30
Environmental Report	2,000.00
Security	1,495.00
Insurance	332.66
Filing Fees	218.91
Bank Charges	120.00
Travel	98.06
	<u>18,995,573.72</u>

Net Receipts

\$ 10,160,399.18 Note 1

Note 1. -	Term Deposit	\$ 10,156,986.49
	Cash Balance	3,412.69
	Total	<u><u>\$ 10,160,399.18</u></u>

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended,
and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**SECOND REPORT OF MNP LTD., AS RECEIVER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES
OF 2738283 ONTARIO INC., 2738284 ONTARIO INC.
AND 2738285 ONTARIO INC.**

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7
Fax: 416-304-1313

Robert I. Thornton (LSO# 41877E)

Tel: 416-304-0560 / Email: rthornton@tgf.ca

Rachel A. Nicholson (LSO# 68348V)

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver, MNP Ltd.

TAB 3
Draft Distribution Order

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 6TH
JUSTICE [NAME]) DAY OF JULY, 2022
)

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284
ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as
amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C.
1985, c. B-3, as amended**

DISTRIBUTION ORDER

THIS MOTION, made by MNP Ltd., in its capacity as the Court-appointed receiver of the Respondents (in such capacity, the “**Receiver**”) in these proceedings (the “**Receivership Proceeding**”) for an order, among other things: (i) authorizing an interim distribution to certain parties, as described below; (ii) appointing Megan Keenberg, C.S., Q. Arb., Q. Med, as Claims Officer pursuant to the Claims Process Order granted March 10, 2022 (the “**Claims Process Order**”); (iii) approving the Receiver’s Interim Statement of Receipts and Disbursements; (iv) approving the Second Report of the Receiver dated June 24, 2022 (the “**Second Report**”) and the

activities of the Receiver described therein; and (v) approving the fees of the Receiver and its counsel, was heard this day by Zoom judicial video conference due to the COVID-19 pandemic.

ON READING the Second Report and the Appendices thereto, the Fee Affidavit of Deborah Hornbostel sworn June 22, 2022 (the “**Hornbostel Affidavit**”), the Fee Affidavit of Robert Thornton sworn June 22, 2022 (the “**Thornton Affidavit**”) and such further materials as counsel may advise, and on hearing submissions from counsel to the Receiver and counsel to those parties listed on the counsel list for today’s hearing, and no one else appearing for any other interested person, although duly served as evidenced by the Affidavit of Service of Rachel Nicholson sworn June 24, 2022, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the Second Report.

DISTRIBUTIONS

3. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the following distributions from the receipts held by the Receiver in the Receivership Proceeding:
 - (a) the outstanding indebtedness owed by the Respondents to Maria Louise Larsen, in satisfaction in full of her secured claim against the Real Property, upon receipt of a payout statement satisfactory to the Receiver in its sole discretion;
 - (b) to those Claimants identified at paragraph 30 of the Second Report, in the amounts described therein, in the total aggregate amount of \$554,971.57;
 - (c) to those Claimants in respect of any Disputed Claim that subsequently becomes a Proven Claim, in accordance with the terms of the Claims Process Order, up to the amount of such Proven Claim;

(d) to 7 Generations Development Group Ltd., the amount of the Excess Funds described in paragraph 46 of the Second Report in the aggregate amount of \$3,046,275 (which is subject to, among other things, the Disputed Claims Reserve and Professional Fee Reserve) in respect of its equity interest in the Real Property, along with any funds in the Disputed Claims Reserve and Professional Fee Reserve that subsequently become available for distribution, in the Receiver's sole discretion.

4. **THIS COURT ORDERS** that, notwithstanding:

(e) the pendency of these proceedings;

(f) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Respondents and any bankruptcy order issued pursuant to any such applications; and

(g) any assignment in bankruptcy made in respect of any of the Respondents;

the distributions set out in paragraph 3 of this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Respondents and shall not be void or voidable by creditors of the Respondents, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

APPOINTMENT OF CLAIMS OFFICER

5. **THIS COURT ORDERS** that Megan Keenberg, C.S., Q. Arb., Q. Med, is appointed as Claims Officer pursuant to the Claims Process Order and shall be entitled to the rights and authorizations set out in the Claims Process Order.

APPROVAL OF ACTIVITIES AND FEES OF THE RECEIVER

6. **THIS COURT ORDERS** that the Second Report and the activities, decisions and conduct of the Receiver as set out in the Second Report are hereby authorized and approved; provided,

however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

7. **THIS COURT ORDERS** that the Receiver's statement of interim receipts and disbursements for the period November 9, 2021 to June 22, 2022, as set out in the Second Report and attached as Appendix "L" to the Second Report, is hereby approved.

8. **THIS COURT ORDERS** that the professional fees of the Receiver for the period between February 23, 2022 to June 17, 2022, in the amount of \$144,724, plus Harmonized Sales Tax ("HST") of \$18,816.46 as further set out in the Second Report and the Hornbostel Affidavit attached as Appendix "J" to the Second Report, are hereby approved.

9. **THIS COURT ORDERS** that the professional fees of Thornton Grout Finnigan LLP, counsel to the Receiver, for the period between March 1, 2022 to June 17, 2022, in the amount of \$100,622.50, plus disbursements of \$36,118.71 and HST of \$17,733.73, for a total of \$154,474.94, as further set out in the Second Report and the Thornton Affidavit attached as Appendix "K" to the Second Report, are hereby approved.

GENERAL

10. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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 and its agents 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.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC. AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

DISTRIBUTION ORDER

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7
Fax: 416-304-1313

Robert I. Thornton (LSO# 41877E)

Tel: 416-304-0560 / Email: rthornton@tgf.ca

Rachel A. Nicholson (LSO# 68348V)

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver, MNP Ltd.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.
AND IN THE MATTER OF AN APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended,
and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
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and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**MOTION RECORD
RETURNABLE JULY 6, 2022**

Thornton Grout Finnigan LLP
Toronto-Dominion Centre
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Rachel A. Nicholson (LSO# 68348V)

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Lawyers for the Court-Appointed Receiver, MNP Ltd.