

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.

Respondents

APPLICATION UNDER Section 243 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.

**MOTION RECORD  
(RETURNABLE AUGUST 30, 2018)**

August 20, 2018

**MILLER THOMSON LLP**

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appointed Receiver of the assets, undertakings  
and properties of ARRC International Inc.,  
Agriculture Technology Incorporated, 2265469  
Ontario Inc., 2292760 Ontario Inc. and 2517748  
Ontario Inc.

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Court File No. CV-18-595565-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
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Respondents

APPLICATION UNDER Section 243 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.

**NOTICE OF MOTION  
(RETURNABLE AUGUST 30, 2018)**

MNP Ltd., in its capacity as Court-appointed receiver of the assets, undertakings and properties of ARRC International Inc., Agriculture Technology Incorporated, 2265469 Ontario Inc., 2292760 Ontario Inc. and 2517748 Ontario Inc. (the "Receiver") will make a motion to the Court on Thursday, August 30, 2018, at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

- in writing under subrule 37.12.1(1) because it is on consent or unopposed or made without notice;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

THE MOTION IS FOR:

1. an Order substantially in the form appended hereto as Schedule "A":
  - (a) if necessary, abridging the time for and validating service of this Notice of Motion and the Second Report of the Receiver to the Court dated August 20, 2018 (the

“Second Report”) and directing that any further service of this Notice of Motion and the Second Report be dispensed with such that this motion is properly returnable on August 30, 2018;

- (b) approving the Second Report and the conduct and activities of the Receiver reported therein;
- (c) approving the extension to September 11, 2018 of the deadline for the submission of bids under the sale solicitation process;
- (d) requiring 2435895 Ontario Limited (“243 Ontario”) and Reno Vespa (“Vespa”) to deliver up to the Receiver 20 roll off waste bins owned by the respondent, Agriculture Technology Incorporated (“ATI”), which are in the possession and control of 243 Ontario and Vespa, emptied of waste and, if not emptied of waste, that 243 Ontario and Vespa reimburse the Receiver for all amounts to be paid by the Receiver in disposing of the waste in the said bins;
- (e) approving the Receiver’s Statement of Receipts and Disbursements for the period April 18, 2018 to August 13, 2018;
- (f) approving the professional fees and disbursements of the Receiver and its legal counsel; and
- (g) such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Approval of the Second Report and the Receiver’s Activities and the Statement of Receipts and Disbursements

- (a) The Receiver has carried out its duties and responsibilities in accordance with the terms of the Appointment Order dated April 18, 2018 by which the Receiver was appointed.

Order Requiring 243 Ontario and Vespa to Deliver up Possession to the Receiver of the 20 waste bins of ATI in their Possession

- (a) ATI was the tenant of the real property located at 1593 County Road 32, Kingsville (the “Property”) under a lease with 243 Ontario;

- (b) ATI's lease for the Property was terminated by 243 Ontario on April 17, 2018, two days prior to the making of the Appointment Order;
- (c) located on the Property are 20 roll off waste bins ("Bins") owned by ATI. The Bins were empty and free of waste when first inspected by the Receiver following its appointment;
- (d) the Receiver has requested that 243 Ontario and Vespa deliver up possession of the Bins to it. 243 Ontario and Vespa have refused to deliver up possession of the Bins to the Receiver. Instead, 243 Ontario is asserting a storage lien against the Bins;
- (e) when the Receiver attended at the Property on June 20, 2018 to remove the Bins, a number of the Bins had been removed from the Property and their whereabouts is unknown to the Receiver. Most of the Bins remaining on the Property at that date had been filled with waste by 243 Ontario;
- (f) despite repeated requests, 243 Ontario and Vespa have refused to permit the Receiver to take possession of the Bins; and
- (g) the terms of the Appointment Order permit the Receiver to take possession of the property of the respondents, including the Bins, and prohibit 243 Ontario and Vespa from interfering with the Receiver taking possession of the Bins.

#### Approval of Professional Fees

- (a) pursuant to Paragraph 18 of the Appointment Order, the Receiver and counsel to the Receiver were granted a first charge on the property of the Respondents as security for their professional fees, both before and after the making of the Appointment Order;
- (b) pursuant to Paragraph 19 of the Appointment Order, the accounts of the Receiver and its legal counsel must be passed from time to time by a judge of the Commercial List of the Ontario Superior Court of Justice; and
- (c) it is the Receiver's opinion that the professional fees are fair and reasonable and justified in the circumstances and accurately reflect the work performed by the Receiver and its legal counsel in connection with the receivership proceedings.

Other

1. The Appointment Order;
2. Rules 1.04, 1.05, 2.03, 3.02(1), 16 and 37 of the *Rules of Civil Procedure*; and
3. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

- (a) the Second Report; and
- (b) such further and other material as counsel may advise and this Honourable Court permit.

August 20, 2018

**MILLER THOMSON LLP**  
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Receiver of the assets, undertakings and properties  
of ARRC International Inc., Agriculture  
Technology Incorporated, 2265469 Ontario Inc.,  
2292760 Ontario Inc. and 2517748 Ontario Inc.

TO: THE SERVICE LIST

**SCHEDULE "A"**

Court File No. CV-18-595565-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	THURSDAY, THE 30TH
	)	
JUSTICE	)	DAY OF AUGUST, 2018

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.

Respondents

APPLICATION UNDER Section 243 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.**ORDER**

THIS MOTION, made by MNP Ltd.. in its capacity as the Court-appointed receiver (the "Receiver") of the assets, undertakings and properties of ARRC International Inc., Agriculture Technology Incorporated, 2265469 Ontario Inc., 2292760 Ontario Inc. and 2517748 Ontario Inc. (the "Debtors") for an order,

- (a) if necessary, abridging the time for and validating service of this Notice of Motion and the Second Report of the Receiver to the Court dated August 20, 2018 (the "Second Report") and directing that any further service of this Notice of Motion and the Second Report be dispensed with such that this motion is properly returnable on August 30, 2018;

- (b) approving the Second Report and the conduct and activities of the Receiver reported therein;
- (c) approving the extension to September 11, 2018 of the deadline for the submission of bids under the sale solicitation process;
- (d) requiring 2435895 Ontario Limited ("243 Ontario") and Reno Vespa ("Vespa") to deliver up to the Receiver 20 roll off waste bins ("Bins") owned by the respondent, Agriculture Technology Incorporated, which are in the possession and control of 243 Ontario and Vespa, emptied of waste and, if not emptied of waste, that 243 Ontario and Vespa reimburse the Receiver for all amounts to be paid by the Receiver in disposing of the waste in the said Bins;
- (e) approving the Receiver's Statement of Receipts and Disbursements for the period April 18, 2018 to August 13, 2018;
- (f) approving the professional fees and disbursements of the Receiver and its legal counsel; and
- (g) such further and other relief as counsel may advise and this Honourable Court may deem just.

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Julie Franchini sworn August \_\_\_\_, 2018, filed:

1. THIS COURT ORDERS that the time for and method of service of the Motion Record, including the Notice of Motion and the Second Report, are hereby abridged and validated, as necessary, such that this motion is properly returnable today and hereby dispenses with further service thereof;
2. THIS COURT ORDERS that the Second Report and the activities and conduct of the Receiver described in the Second Report are hereby approved.
3. THIS COURT ORDERS that the extension to September 11, 2018 of the deadline for the submission of bids under the sale solicitation process is hereby approved.



4. THIS COURT ORDERS that 243 Ontario and Vespa shall deliver up to the Receiver the Bins emptied of waste and, if not emptied of waste, that 243 Ontario and Vespa shall reimburse the Receiver for all amounts to be paid by the Receiver in disposing of the waste in the Bins.

5. THIS COURT ORDERS that the Receiver's Statement of Receipts and Disbursements for the period April 18, 2018 to August 13, 2018 is hereby approved.

6. THIS COURT ORDERS that the professional fees and disbursements of the Receiver and its legal counsel as described in the fee affidavits attached as Appendices G and H to the Second Report are hereby approved.

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BANK OF MONTREAL      and      ARRC INTERNATIONAL INC., et al.  
Applicant                                  Respondents

Court File No: CV-18-595565-00CL

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

Proceeding commenced at TORONTO

**ORDER**

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- AND TO: **JOHN DEERE CANADA ULC**  
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Attention: Reno Vespa

BANK OF MONTREAL

and

ARRRC INTERNATIONAL INC., et al.

Applicant

Respondents

Court File No.: CV-18-595565-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**NOTICE OF MOTION  
(RETURNABLE AUGUST 30, 2018)**

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Ontario Inc., 2292760 Ontario Inc. and 2517748  
Ontario Inc.

Court File No. CV-18-595565-00CL

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

BETWEEN:

**BANK OF MONTREAL**

Applicant

and

**ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.**

Respondents

**SECOND REPORT TO THE COURT SUBMITTED BY MNP LTD.,  
IN ITS CAPACITY AS RECEIVER OF  
ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.**

August 20, 2018



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Appendix G	MNP Fee Affidavit
Appendix H	Miller Thomson Fee Affidavit

## 1.0

## *Introduction and Purpose of Report*

---

### 1.1 Introduction

- 1.1.1 ARRRC International Inc. (“**ARRRC**”) is a real estate holding company and sole title holder of lands municipally known as 329 County Road 34, Ruthven Ontario (the “**329 Property**”). The 329 Property is comprised of 26.42 acres of land and has been improved with multiple outbuildings, including three private residences. ARRRC leases the 329 Property exclusively to Agriculture Technology Inc. (“**ATI**”).
- 1.1.2 ATI’s primary business is the handling of plant materials and growing media removed from local greenhouse growers at the end of the crop cycle. Services offered by ATI include agriculture material handling, organic and substrate recycling, wood grinding and soil screening. Related businesses include plastic recycling, bio-fiber production, bio-fuel compounding and garden products.
- 1.1.3 2517748 Ontario Inc., operating as City Recycle (“**251**”) operates as a waste disposal, processing and recycling transfer station from leased lands municipally known as 1153 Tecumseh Rd, Windsor Ontario (“**Tecumseh Property**”).
- 1.1.4 2265469 Ontario Inc. o/a as AR3C (“**226**”) provides management services to ARRRC, ATI and City.
- 1.1.5 2292760 Ontario Inc. o/a WECO2 (“**229**”) is a non-operating company.
- 1.1.6 ARRRC, ATI, 251, 226 and 229 (collectively the “**Companies**”) are all related private corporations having common ownership and directors.
- The directors of the Companies are:
- (i) Mr. Matthew Posthumus;
  - (ii) Mr. Steve Posthumus;
  - (iii) Mr. Luke Posthumus; and
  - (iv) Mr. Mark Posthumus (together the “**Posthumus Family**”).
- 1.1.7 Bank of Montreal (“**BMO**” or the “**Bank**”) is the senior secured lender to the Companies. In aggregate, the Companies are indebted to BMO for approximately \$14,600,000.
- 1.1.8 The debt owing to BMO is secured by the following:
- (i) A collateral charge registered against the Property in the principal amount of \$12,800,000;
  - (ii) General security agreements from each of the Companies.
- 1.1.9 On April 3, 2018, the Companies advised BMO that the businesses were experiencing financial distress caused by the activities of the Ministry of Environment and the Town of Kingsville and, as

a result, operations had effectively ceased. On April 4, 2018, BMO issued demands for payment and notices of intention to enforce security to the Companies.

**1.1.10** On April 18, 2018, the Honourable Justice Pattillo of the Ontario Superior Court of Justice issued an Order (the “**Appointment Order**”) appointing MNP Ltd. as receiver (the “**Receiver**”) of the Companies. A copy of the Appointment Order and the endorsement of Justice Pattillo are attached as **Appendix A**. The Appointment Order is substantially in the form of the Model Receivership Order.

**1.1.11** The Appointment Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:

- (i) Take possession of and exercise control over the property of the Companies;
- (ii) Manage, operate and carry on the business of the Companies;
- (iii) 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 Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
- (iv) Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.

**1.1.12** The Receiver submitted one previous report to the Court dated June 19, 2018 (the “**First Report**”), which included a confidential supplemental report. The First Report, without appendices, is attached as **Appendix B**. A copy of the Order and Endorsement of Justice McEwen approving the First Report is attached as **Appendix C (“McEwen Order”)**.

## **1.2 Purpose of the Receiver’s Second Report**

**1.2.1** This constitutes the Receiver’s Second Report to the Court (the “**Second Report**”) in this matter and is filed to:

- (i) Report on the Receiver’s activities since the First Report;
- (ii) Provide an update to the Court on the Receiver’s sale solicitation process (“**SSP**”);
- (iii) Report the results of a security review conducted by the Receiver’s independent legal counsel to the Court;
- (iv) Request an Order requiring 2435895 Ontario Inc. (“**243**”) and its president, Mr. Reno Vespa (“**Vespa**”), to surrender ATI assets to the Receiver and pay for costs to dispose of waste material deposited into these assets post receivership;
- (v) Obtain approval of the Receiver’s Statement of Receipts and Disbursements for the period April 18, 2018 to August 13, 2018; and,
- (vi) Obtain approval of the fees and expenses of the Receiver and its legal counsel.

## 2.0

## *Receiver's activities since the First Report*

---

### 2.1 Environmental – Leachate Pad and Lagoons

- 2.1.1 As discussed in the First Report, ATI's processing facility at the 329 Property is equipped with a 7-acre cement holding pad ("**Pad**") which is utilized to stockpile unprocessed agriculture by-product. The Pad and two large reservoirs ("**Lagoons**") collect precipitation run-off. The resulting liquid ("**Leachate**") is deemed by the Ministry of Environment and Climate Change ("**MOE**") to be 'Non-Agriculture Sourced Material' ("**NASM**").
- 2.1.2 Since the First Report the Receiver has continued to retain the Posthumous family to monitor and manage the Lagoons.
- 2.1.3 MOE officials have attended the 329 Property on multiple occasions since the First Report to inspect the status of the Pad and Lagoons. MOE officials have reported their observations periodically and advise Lagoon levels remain at freeboard levels. The MOE last visited the 329 Property on August 9, 2018 and confirmed that Leachate levels remain below freeboard range.
- 2.1.4 While a significant quantity of Leachate was removed from the Lagoons between May 29 and June 1, 2018 in accordance with a NASM Development Plan ("**NASM Plan**"), Lagoon Leachate levels remain high and continue to rise in conjunction with area precipitation.
- 2.1.5 The Receiver has organized a second NASM Plan to commence the first week of September. The proposed NASM Plan will reduce existing Lagoon Leachate levels by approximately 660,000 gallons.

### 2.2 Government Accounts

- 2.2.1 Canada Revenue Agency ("**CRA**") has commenced an audit of the Companies source deduction and HST accounts. CRA has not yet concluded its review.
- 2.2.2 As discussed in the First Report, the Receiver engaged ATI's former accountant, Collins Barrow LLP, to file ATI's income tax return and HST remittances.
- 2.2.3 The Receiver is working with CRA to complete and file HST returns for ARRRRC, 251, 226 and 229.

### 2.3 Accounts Receivable

- 2.3.1 The consolidated book value of the Companies accounts receivable at the date of receivership was \$306,028 (net of intercompany account balances).
- 2.3.2 The Receiver has processed outstanding invoices and communicated with customers to collect outstanding accounts.
- 2.3.3 The Receiver has confirmed that \$248,115 of the outstanding accounts receivable are subject to contra set-off claims for accounts payable due by the Companies to its customers and therefore not collectible.
- 2.3.4 A further \$17,492 is uncollectible due to confirmed invoicing errors and accounting disputes.

2.3.5 The net balance of accounts receivable outstanding after adjustments is \$33,672. The Receiver has collected \$30,038 of these accounts to date.

#### 2.4 Inventory Liquidation

2.4.1 The book value of raw material, at the date of receivership was \$3,099,816.

2.4.2 As discussed in the First Report, the Receiver engaged the Posthumus Family on a contract basis to assist in realizing certain of ATI's inventory including bulk coconut husk and plastic bales. Sales are ongoing and conducted on an "as-is/where-is" basis with no representations or warranties by the Receiver.

2.4.3 The Receiver has sold \$90,084 in inventory post receivership of which \$64,487 has been collected to date.

#### 2.5 Insurance

2.5.1 The Companies insurance policies expired July 2018. The Receiver has obtained alternate insurance coverage through Firstbrook Cassie and Anderson Ltd. insurance brokers.

#### 2.6 Third Party Assets

2.6.1 The Receiver is aware of multiple property claims and continues to work with claimants to verify ownership rights.

2.6.2 Since the First Report the Receiver has released fuel tanks owned by Dowler-Karn.

#### 2.7 Independent Security Opinion

2.7.1 The Receiver's independent legal counsel, Miller Thomson LLP ("MT"), has reviewed the security registrations against the Companies, in favour of BMO, and various equipment lessors (Axiom Leasing Inc., Blueshore Leasing Ltd., CWB Maxium Financial Inc., RCAP Leasing Inc., National Leasing Group Inc., Great Lakes Leasing, a division of 1354439 Ontario Inc., Blueshore Transport Finance Ltd., John Deere ULC and Wells Fargo Equipment Finance Company, collectively the "Equipment Lessors"). Subject to the customary assumptions and qualifications, MT has provided an opinion that a) BMO's security registered against the 329 Property is valid and enforceable, b) BMO has a valid and perfected security interest in the personal property of the Companies, c) each of the Equipment Lessors has a valid and perfected purchase money security interest in its specific collateral and, d) the Equipment Lessor's purchase money security interests have priority over BMO's security interest in the Equipment Lessors' specific collateral.

2.7.2 A copy of the MT security opinion is attached as **Appendix D**.

### 3.0

### *Sales Solicitation Process*

- 3.1.1 Pursuant to the Initial Order, the Receiver was authorized to market any or all of the assets and operations of the Companies (the “**Assets**”), including advertising and soliciting offers and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 3.1.2 In its First Report the Receiver outlined the SSP to be undertaken by the Receiver for the assets and undertakings of the Companies. The SSP was approved by the Court in the McEwen Order (Appendix C).
- 3.1.3 Pursuant to the SSP described in the First Report and approved by this Court, the Receiver took the following actions to market the Assets:
- On June 8, 2018, the Receiver emailed the Invitation for Proposals included in the First Report to two hundred and fifteen interested parties including domestic and international competitors, other industry participants, equity investment firms and liquidators identified by the Receiver and MNP Corporate Finance Ltd;
  - The Receiver advertised the Invitation for Proposals in the financial section of the national edition of the Globe & Mail on Saturday June 16, 2018;
  - The Receiver promoted the sale of Assets through national business magazine publisher, Greenhouse Canada (“**GC**”). GC is published exclusively for the Canadian commercial greenhouse sector and has a subscribership of 3,000 plus industry professionals. The Invitation for Proposals was published on GC’s website for a period of one-month commencing June 21, 2018 and was promoted through an electronic mail-blast to GC subscribers;
  - The Receiver provided a copy of the Invitation for Proposals to Clean Farms Ontario for distribution to its membership. Clean Farms Ontario is a group of Ontario farmers dedicated to practising and promoting clean farming practises;
  - The Receiver notified more than 650 MNP partners across Canada of the SSP and provided a copy of the Invitation for Proposals for distribution to MNP clients that may be interested in the opportunity;
  - The Receiver published a notice of the SSP in the Insolvency Insider, a weekly email publication circulated within the national insolvency industry; and,
  - The Receiver invited all prospective parties to view the Assets on pre-arranged dates throughout June and July. The Receiver accommodated multiple Asset viewing requests and met a total eight prospective purchasers at the 329 Property.
- 3.1 As a result of the marketing described above, thirty-four parties executed confidentiality agreements and were provided a copy of the Receiver’s confidential information memorandum detailing the opportunity. A virtual data room with additional information relevant to the sale was set up by the Receiver and interested parties were granted access.
- 3.2 The Receiver responded to queries and information requests of all interested parties in a timely and efficient manner, as well as organized additional asset viewing dates to accommodate prospective purchaser’s schedules.

- 3.3 The deadline to submit offers was established as 2:00 p.m. on Friday, July 27, 2018 (“**Original Bid Deadline**”). The Original Bid Deadline provided prospective bidders six weeks to complete due diligence.
- 3.4 The SSP resulted in the submission of a number of offers.
- 3.5 Having regard to the offers received and the expressed desire of certain interested parties to conduct further due diligence, the Receiver extended the bid deadline for all interested parties to 2:00 pm on September 11, 2018 thereby allowing all parties, including those that submitted offers, a further 45 days from the Original Bid Deadline to conduct additional due diligence and submit offers.
- 3.6 The Bank supported the extension of the bid deadline.
- 3.7 On July 31, 2018 the Receiver contacted all parties that executed a Non-Disclosure agreement to advise of the bid extension deadline and welcomed parties to revisit the Receiver’s Data Room dedicated to the SSP.



## **4.0** 2435895 Ontario Inc. and Subject Property

- 4.1.1** ATI is the owner of approximately sixty roll off waste bins. A roll off bin is a large rectangular dumpster which utilizes wheels to facilitate it being rolled in place. The container is designed to be transported by specialized roll-off tracks for use at waste disposal sites, construction sites and other similar uses. Twenty of these bins are owned outright by ATI. The balance are subject to lease agreement in favour of National Leasing and Blueshore Leasing.
- 4.1.2** Twenty bins are located at the 329 Property. The remaining forty were kept at leased property at 1593 County Road 32, Kingsville, Ontario (the “**1593 Property**”). The bins at each location are a mix of leased and owned.
- 4.1.3** 243 is an unrelated third party that owns the 1593 Property. ATI occupied the 1593 Property beginning September 1, 2015 pursuant to a month to month tenancy agreement and Offer to Lease.
- 4.1.4** Following defaults made in respect of the tenancy agreement, on April 17, 2018, 243 terminated ATI’s occupancy and changed the locks to premises.
- 4.1.5** On April 19, 2018 the Receiver contacted Vespa, the principal of 243, to provide a copy of the Appointment Order. The Receiver requested details of ATI’s occupancy, copies of 243’s Notice of Termination and a schedule of ATI property in 243’s possession. Vespa advised approximately forty roll-off waste bins (the “**Subject Property**”) owned by ATI remained situated at the 1593 Property following termination of ATI’s occupancy. Following its conversation with Vespa, the Receiver attended the 1593 Property and walked the exterior to confirm the quantity and condition of the Subject Property.
- 4.1.6** On May 9, 2018 counsel for 243, Ricci Enns Rollier and Settingington LLP (“**243 Counsel**”) provided a copy of 243’s Notice of Termination dated April 5, 2018. A copy of 243’s Notice of Termination is attached as **Appendix E**.
- 4.1.7** After being made aware that additional ATI assets were located inside the facility at the 1593 Property, the Receiver arranged to meet Vespa to gain access to the building for inspection.
- 4.1.8** On May 24, 2018 the Receiver met Vespa at the 1593 Property. At the meeting Vespa advised that 243 was claiming a storage lien under the *Repair and Storage Liens Act* (the “**RSLA**”) over the chattels left by ATI following its eviction. In addition to the Subject Property, ATI chattels located within the facility were comprised primarily of office equipment and a large quantity of storage racking. The Receiver advised Vespa that 243 did not have a valid storage lien as no storage agreement existed between 243 and ATI. Rather, the chattels remained situated on the 1593 Property as a result of ATI being locked out and its lease for the 1593 Property being terminated. Notwithstanding, the Receiver advised Vespa to submit a claim detailing 243’s storage costs and confirmed it would review same. Furthermore, the Receiver advised Vespa it was in the process of verifying third party claims against the Subject Property and that it was awaiting information from known claimants before it could offer an action plan to deal with the Subject Property.
- 4.1.9** The Receiver engaged Infinity Asset Solutions (“**Infinity**”) to perform a desktop appraisal of the Subject Property. Based on the Infinity appraisal and notwithstanding there remains payment obligations under the National and Blueshore lease agreements, the Receiver has determined that there is value in the Subject Property beyond the amounts owed to National and Blueshore under their respective leases.

- 4.1.10** Accordingly, on June 12, 2018 the Receiver communicated with 243's Counsel and advised its intention to attend the 1593 Property to remove and repatriate the Subject Property.
- 4.1.11** Having not received a response from 243, on June 19, 2018 the Receiver sent a follow up email to advise 243 it had engaged a third-party logistics company to begin removing the Subject Property on June 20, 2018.
- 4.1.12** On June 20, 2018 the Receiver attended the 1593 Property to oversee removal of the Subject Property. During its inspection, the Receiver noted the Subject Property had been relocated and multiple bins had been removed from the 1593 Property altogether. The Receiver further observed most waste bins, which were empty during its visit on May 19, 2018, had since been filled with waste and debris which 243 claimed belonged to ATI.
- 4.1.13** Vespa advised he would not deliver possession of the Subject Property to the Receiver until 243's storage lien was satisfied and cautioned that anyone entering the 1593 Property without his authorization would be charged with trespassing.
- 4.1.14** Vespa further advised he was seeking storage costs in excess of \$1,200 per day for the period of April 17 through to June 20, 2018.
- 4.1.15** On June 21, 2018 the Receiver confirmed to Vespa that pursuant to paragraph 4 of the Appointing Order he was required to surrender the Subject Property to the Receiver. The Receiver again advised Vespa that 243 does not have the right to claim a storage lien as a storage lien under the RSLA may only be asserted by a "storer" who takes possession of an article for storage by agreement. Based on the information available to the Receiver, 243 does not have a storage agreement. To resolve the matter and avoid further costs, the Receiver offered to 243 a payment of \$5,000.
- 4.1.16** Vespa did not immediately respond and the Receiver continued to follow up. On July 18, 2018 Vespa advised the Receiver he was claiming storage costs in excess of \$119,000.
- 4.1.17** The Receiver spoke with Vespa on July 20, 2018 to reiterate the position that 243 does not have a storer's lien and urged Vespa to seek legal counsel on the matter. Vespa undertook to respond to the Receiver by the end of that week. As of the date of this report no response has been received.
- 4.1.18** The Receiver has been unsuccessful in all attempts to recover the Subject Property from 243. Furthermore, although the Receiver has made multiple requests of 243 and Vespa, neither have provided details or the location of the Subject Property which was removed from the 1593 Premise subsequent to May 19, 2018.
- 4.1.19** 243 is preventing the Receiver from securing ATI's property and at the same time continues to accrue unwarranted storage charges.
- 4.1.20** As a result of the forgoing and the fact this matter has remained unresolved for over three months, the Receiver is seeking an Order requiring 243 to deliver up possession of the Subject Property to the Receiver.
- 4.1.21** This is in the best interest of all creditors as the Receiver can then review and assess all potential claims against the Subject Property. The sale proceeds of the Subject Property will stand in the stead of the Subject Property and any valid claims against the proceeds (including 243's claim) can be dealt with on a future distribution motion.

**4.1.22** The Receiver further requests that the Subject Property either be delivered up to the Receiver emptied of waste placed therein by 243 or that 243 and Vespa be responsible to pay the disposal costs for the waste material and debris that was put in the Subject Property after they were notified of the receivership and provided with a copy of the Application Order (as noted above in paragraph 4.1.12 when the Receiver first inspected the waste bins all were empty).

## **5.0** *Statement of Receipts and Disbursements*

- 5.1.1** **Appendix F**, attached, is a summary of the Receiver's Statement of Receipts and Disbursements for the period April 18 to August 13, 2018.
- 5.1.2** In addition to an advance of \$100,000 from the Bank, the Receiver has generated receipts of \$106,957, primarily from the sale of inventory and collection of accounts receivable.
- 5.1.3** The Receiver has made disbursements of \$154,000, primarily for:
- (i) draining the Lagoon Leachate levels in accordance with NASM Plan;
  - (ii) Contract labour wages paid to the Posthumous Family;
  - (iii) Legal fees paid to Wilms & Shier Lawyers LLP for assistance the MOE Environmental Review Tribunal, as discussed in the First Report;
  - (iv) Retainer paid to Collins Barrow to finalize the 2017 financial statements and prepare a corporate tax return; and
  - (v) Utilities.
- 5.1.4** The Receiver has generated a net excess of receipts over disbursements as at August 13, 2018 of \$52,678.

**6.0*****Receiver and its Counsel's Accounts***

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- 6.1.1** As required in the Initial Order, the Receiver is seeking the approval of its accounts and the accounts of its legal counsel for the receivership period to date.
- 6.1.2** The Receiver has submitted one invoice dated August 15, 2018 for the period April 9 to August 15, 2018 in the amount of \$175,000, inclusive of disbursements and before HST. The invoice, together with the Receiver's affidavit of verification of fees, is attached as **Appendix G**.
- 6.1.3** MT has submitted a single invoice, as follows:

For the period April 10 to June 30, 2018	\$27,261.54
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This amount is inclusive of disbursements and before HST. The invoice, together with the Miller Thomson affidavit of verification of fees, are attached as **Appendix H**.

- 6.1.4** It is the Receiver's opinion that the Professional Fees are fair and reasonable and justified in the circumstances and accurately reflect the work done by the Receiver and MT in connection with the receivership during the relevant periods. The Receiver recommends approval of the Professional Fees by the Court.

**7.0*****Order Sought***

- 7.1 We submit this **Second Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to:
- (a) Approve the Second Report and the activities of the Receiver described herein;
  - (b) Approve the SSP bid deadline extension as discussed in Section 3 of this Second Report;
  - (ii) Issue an Order requiring 243 and Vespa to deliver up possession of the Subject Property to the Receiver emptied of waste (or that 243 and Vespa pay for costs to dispose of waste material deposited in same post receivership if not emptied);
  - (c) Approve the Receiver's Statement of Receipts and Disbursements for the period April 18, 2018 to August 13, 2018; and,
  - (d) Approve the fees and expenses of the Receiver and its legal counsel.

All of which is respectfully submitted this 20<sup>th</sup> day of August 2018.

**MNP Ltd. in its capacity as Receiver of  
ARRRC International Inc., Agriculture Technology Incorporation, 2265469 Ontario Inc.,  
2292760 Ontario Inc. and 2517748 Ontario Inc.  
and not in its personal capacity**

  
Per: Robert W. Smith CPA, CA, CIRP, LIT  
Senior Vice President

# APPENDIX A

Court File No. CV-18-595565-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

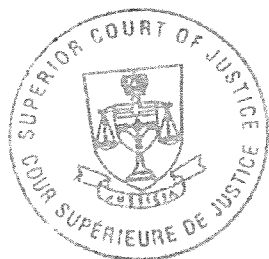
THE HONOURABLE M.J. ) WEDNESDAY, THE  
JUSTICE PATILLO )  
18<sup>th</sup> DAY OF APRIL, 2018

BETWEEN:

BANK OF MONTREAL

Applicant

- and -



ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.

Respondents

APPLICATION UNDER Section 243 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.

**ORDER**  
**(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing MNP Inc. as receiver (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of each of ARRC International Inc., Agriculture Technology Incorporated, 2265469 Ontario Inc., 2292760 Ontario Inc. and 2517748 Ontario Inc.



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(collectively the “**Debtors**”) acquired for, or used in relation to businesses carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Athol Hall sworn April 10, 2018 and the Affidavit of Amy Casella sworn April 17, 2018, and on hearing the submissions of counsel for Bank of Montreal, no one appearing for the Debtors although duly served,

### **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 Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors, or any one of them, acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (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

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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 businesses 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, 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 businesses 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 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

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conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, 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 or, in the opinion of the Receiver, court approval is otherwise necessary or desirable regardless of the value of the transaction;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

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- (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.

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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.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of

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the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. 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**

10. 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**

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

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**CONTINUATION OF SERVICES**

12. 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.

**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

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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



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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.

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## 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 \$250,000 (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 “A” hereto (the “**Receiver's Certificates**”) for any amount borrowed by it pursuant to this Order.

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

## SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

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protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol.

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 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.

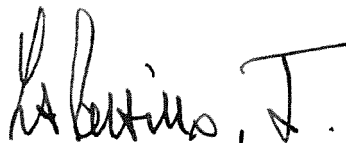
30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located,

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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 substantial 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.



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ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

APR 18 2018

PER / PAR:



**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties of ARRC International Inc., Agriculture Technology Incorporated, 2265469 Ontario Inc., 2292760 Ontario Inc. and 2517748 Ontario Inc. (collectively the "Debtors"), acquired for, or used in relation to a business carried on by the Debtors, 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 \_\_\_\_\_, 20\_\_ (the "Order") made in an action 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

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

Per: \_\_\_\_\_

Name:

Title:

BANK OF MONTREAL

ARRRC INTERNATIONAL INC. *ET AL*

Applicant

and

Respondents

Court File No. CV-18-595565-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**ORDER**

**CHAITONS LLP**

5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**Christopher J. Staples** (LSUC #31302R)

Tel: 416-218-1147

Fax: 416-218-1847

Lawyers for the Applicant

# APPENDIX B



Court File No. CV-18-595565-00CL

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

**B E T W E E N:**

**BANK OF MONTREAL**

Plaintiff

and

**ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.**

Defendants

**FIRST REPORT TO THE COURT SUBMITTED BY MNP LTD.,  
IN ITS CAPACITY AS RECEIVER OF  
ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.**

June 19, 2018

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Appendix F	-	Invitation for Proposals
Appendix G	-	Confidentiality Agreement
Appendix H	-	Confidential Information Memorandum (Redacted)

## *1.0 Introduction and Purpose of Report*

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### 1.1 Introduction

- 1.1.1** ARRRC International Inc. (“**ARRRC**”) is a real estate holding company and sole title holder of lands municipally known as 329 County Road 34, Ruthven Ontario (the “**329 Property**”). The 329 Property is comprised of 26.42 acres of land and has been improved with multiple outbuildings, including three private residences. ARRRC leases the 329 Property exclusively to Agriculture Technology Inc. (“**ATI**”).
- 1.1.2** ATI’s primary business is the handling of plant materials and growing media removed from local greenhouse growers at the end of the crop cycle. Services offered by ATI include agriculture material handling, organic and substrate recycling, wood grinding and soil screening. Related businesses include plastic recycling, bio-fiber production, bio-fuel compounding and garden products.
- 1.1.3** 2517748 Ontario Inc., operating as City Recycle (“**251**”) operates as a waste disposal, processing and recycling transfer station from leased lands municipally known as 1153 Tecumseh Rd, Windsor Ontario (“**Tecumseh Property**”).
- 1.1.4** 2265469 Ontario Inc. o/a as AR3C (“**226**”) provides management services to ARRRC, ATI and City. AR3C operates from rented premises at 1593 County Road 34, Kingsville Ontario (“**1593 Property**”).
- 1.1.5** 2292760 Ontario Inc. o/a WECO2 (“**229**”) is a non-operating company.
- 1.1.6** ARRRC, ATI, 251, 226 and 229 (collectively the “**Companies**”) are all related private corporations having common ownership and directors.
- The directors of the Companies are:
- (i) Mr. Matthew Posthumus;
  - (ii) Mr. Steve Posthumus;
  - (iii) Mr. Luke Posthumus; and
  - (iv) Mr. Mark Posthumus (together the “**Posthumus Family**”).
- 1.1.7** Bank of Montreal (“**BMO**”) is the senior secured lender to the Companies. In aggregate, the Companies are indebted to BMO for approximately \$14,600,000. BMO holds a mortgage over the Property together with General Security Agreements from each of the Companies.
- 1.1.8** On April 3, 2018, the Companies advised BMO that the businesses were experiencing financial distress caused by the activities of the Ministry of Environment and the Town of Kingsville and, as a result, operations had effectively ceased. On April 4, 2018, BMO issued demands for payment and notices of intention to enforce security to the Companies.
- 1.1.9** On April 18, 2018, the Honourable Justice Pattillo of the Ontario Superior Court of Justice issued an Order (the “**Appointment Order**”) appointing MNP Ltd. as receiver (the “**Receiver**”) of the

Companies. A copy of the Appointment Order and the endorsement of Justice Pattillo are attached as **Appendix A**. The Appointment Order is substantially in the form of the Model Receivership Order.

## **1.2 Purpose of the Receiver's First Report**

**1.2.1** This constitutes the Receiver's First Report to the Court (the "**First Report**") in this matter and is filed to:

- Provide an overview of the Receiver's activities since the date of its appointment and seek approval of those activities; and;
- Report to the Court with respect to the Receiver's sale solicitation process ("**SSP**") for the Companies' assets and seek approval of same.

## 2.0

## *Initial Receiver Activities*

---

### 2.1 Possession

- 2.1.1 Upon its appointment the Receiver attended the 329 Property to serve the Companies' principals with a copy of the Appointment Order and to take possession.
- 2.1.2 The 329 Property is occupied by ATI and the Posthumus Family. The Receiver changed the locks to certain of the outbuildings, but not the private residences which continue to be occupied by members of the Posthumus Family.
- 2.1.3 The Receiver photographed the 329 Property, equipment and inventory to document the condition at the time of the Receiver's appointment. With the assistance of ATI's principals, the Receiver conducted a physical inventory of ATI's rolling stock and fixed assets. Raw material inventory is comprised of bulk coconut husk, rock-wool and separated plastic bales. Given its form, the Receiver consulted ATI's principals to estimate material volumes based on the dimension of material stockpiles.
- 2.1.4 The Receiver took possession of limited books and records of the Companies stored at the 329 Property. The Companies electronic records, including email and accounting software were kept securely offsite with a data service provider, Bolton Smith ("**Bolton**"). The Receiver engaged Bolton to image and create a back up of the Companies' server. Additionally, the Receiver obtained login credentials to have unfettered remote online access to all the Companies electronic records.

### 2.2 Operations

- 2.2.1 ATI and 226's operations ceased on or around March 23, 2018.
- 2.2.2 251's operations ceased in March 2018 due to grievances with the Tecumseh Property landlord.

### 2.3 Environmental – Leachate Pad and Lagoons

- 2.3.1 Before its operations ceased, ATI accepted and processed significant volumes of end of crop agricultural materials comprised primarily of discarded greenhouse substrate. ATI's processing facility at the 329 Property is equipped with a 7-acre cement holding pad ("**Pad**") which was utilized to stockpile unprocessed material. The Pad and two large reservoirs ("**Lagoons**") collect precipitation run-off. The resulting liquid ("**Leachate**") is deemed by the Ministry of Environment and Climate Change ("**MOE**") to be 'Non-Agriculture Sourced Material' ("**NASM**").
- 2.3.2 The MOE requires NASM materials be contained and handled in accordance with the Nutrient Management Act ("**NMA**").
- 2.3.3 Should Lagoon capacities be exceeded, Leachate will flow into the local environment. Following overflows from the Lagoon in 2013 and 2016, ATI implemented environmental protocols to mitigate the risk of future environmental impact ("**Protocols**"). Protocols include periodically pumping out Lagoons and applying the materials to area farm lands in accordance with a MOE approved NASM Development Plan ("**NASM Plan**").

- 2.3.4** At the time of possession, the Receiver confirmed that the Pad and Lagoons were approaching freeboard capacity. Principals for ATI advised that the company's financial state prevented it from complying with the Protocols. The Receiver understands that the Protocols were last deployed in September or October of 2017.
- 2.3.5** Principals for ATI confirmed that Mr. Luke Posthumus ("**Luke**") historically managed the Protocols, including pumping Leachate from the Pad to the Lagoons. The Receiver immediately engaged Luke on a contract basis to manage the Pad and Lagoons.
- 2.3.6** ATI suggested that the Receiver speak with Mr. Rick Faber ("**Faber**"), a MOE NASM plan developer, to carry out the NASM Plan.
- 2.3.7** The Receiver contacted Faber to confirm requirements and procedures under the NMA, including:
- (i) Obtaining water samples and undergoing lab testing of same to confirm the Leachate qualifies as NASM materials;
  - (ii) Organizing with land owners in the local area to apply NASM materials on MOE approved lands; and
  - (iii) Organizing MOE approved transportation and handling contractors to apply NASM materials.
- 2.3.8** The Receiver immediately obtained water samples from the Lagoons and engaged Caducean Environmental to analyze the Leachate. Results confirmed that the Leachate qualified as NASM material.
- 2.3.9** On April 18, 2018 the Receiver advised the MOE of the Receivership.
- 2.3.10** On April 23, 2018 the Receiver met with MOE officials at the 329 Property to inspect the premises. The MOE advised its immediate concern relative to the Leachate levels of the Pad and Lagoons. The Receiver discussed its preliminary understanding and proposed action plan to manage the overflow risk.
- 2.3.11** Due to the volume of area precipitation and potential for additional precipitation, the Receiver began investigating alternate overflow risk management strategies to reduce Leachate levels. The Receiver consulted multiple environmental engineers/consultants and began organizing a contingency plan in the event the existing NASM Plan could not be carried out before the Lagoons overflowed from additional precipitation.
- 2.3.12** The Receiver obtained the MOE's approval to begin applying Leachate from the Lagoons to approved farm land under the NASM Plan. However, the pre-approved farm lands were saturated from the Spring thaw and ongoing precipitation and the Receiver was required, by both the MOE and the land owners, to wait until the land dried sufficiently. The Lagoon levels continued to fill as the Receiver waited and there was an imminent risk of overflow.
- 2.3.13** As a short term fix to prevent an overflow, the Receiver moved water from one reservoir to the other, which still had some capacity, and began pumping water from the Lagoons back onto the Pad. This spread the water over a greater area and reduced the amount contained in the Lagoons. The Receiver also had the irrigation company fill tankers with water and keep them onsite until the Leachate could be pumped onto the fields.

2.3.14 Eventually field conditions improved and on May 29, 2018 application of Leachate to designated fields commenced and concluded on June 1, 2018.

2.3.15 Although a significant quantity of Leachate was removed in accordance with the NASM Plan, pad and Lagoon Leachate levels remain high. Notwithstanding, the Receiver, with MOE concurrence, confirm the immediate threat of overflow has been effectively managed.

2.3.16 Inspections are conducted daily to monitor Pad and Lagoon Leachate levels. The Receiver communicates frequently with MOE officials to provide updates on the status of the Pad and Lagoons.

## 2.4 Environmental – MOE Order

2.4.1 In November 2016 the MOE issued a Provincial Officer's Order in response to complaints from neighbors of odours emanating from the 329 Property. Following an appeal by ATI from the Provincial Offer's Order, a Director's Order ("**MOE Order**") was issued confirming the Provincial Officer's Order.

2.4.2 The MOE Order imposed significant requirements, including:

- Engagement of a consultant to complete an application for an Environmental Compliance Approval to the MOE regarding all air discharges at the 329 Property;
- No waste products (i.e. agricultural waste from greenhouses) were to be accepted at the 329 Property without approval of the MOE;
- Installation of a mesh fence around the Pad;
- Installation of comprehensive odour control measure for the Lagoons, including permanent covers, odour suppression systems and air bubbler systems;
- Various other directions regarding where and how waste material was to be stored.

2.4.3 ATI appealed the MOE Order to the Environmental Review Tribunal ("**ERT**") and requested certain requirements contained therein be eliminated or altered.

2.4.4 Prior to the Receivership, on March 22, 2018, ATI and the MOE executed a settlement (the "**MOE Settlement Agreement**") whereby all requirements of the MOE Order were to be withdrawn and replaced with the single stipulation that restricted only vine material (e.g. tomato, cucumber and pepper plants) from being received on the 329 Property without the approval of the MOE. The MOE Settlement Agreement was binding on all parties and subject only to the approval of the ERT. A copy of the MOE Settlement Agreement is attached at **Appendix B**.

2.4.5 A hearing before the ERT was held on May 2, 2018 to consider whether to approve the Settlement Agreement. The Receiver retained Wilms Shier LLP, ATI's environmental lawyers who negotiated the MOE Settlement Agreement with the MOE, to attend the ERT hearing.

2.4.6 The ERT approved the Minutes of Settlement and has issued a new Order to document same.



## **2.5 Environmental – Pre-Trial re 2016 Spill**

- 2.5.1** In November 2017 ATI was charged with offences under the *Ontario Water Resources Act* arising from the discharge of Leachate from the Lagoons into a nearby municipal drain on April 15, 2016.
- 2.5.2** A pre-trial was scheduled for May 16, 2016. As the proceeding is stayed under paragraph 9 of the Appointment Order, the MOE Prosecutor requested the Receiver consent to a lifting of the stay to allow this matter to proceed. The Receiver provided this consent on the basis that any fine which may be levied against ATI, in the event that a conviction is entered, would be an unsecured claim in the receivership estate.

## **2.6 Environmental – Lagoon Appeal**

- 2.6.1** On January 23, 2014 the MOE issued an Environmental Compliance Approval (“ECA”) approving the Lagoons as storm water management ponds (“SWMP”) included in an existing Sewage Works ECA.
- 2.6.2** On September 29, 2016 ATI requested an amendment to the ECA to remove the Lagoons from the Sewage Works. ATI was concerned about MOE regulations and restrictions surrounding SWMPs.
- 2.6.3** On April 5, 2018 the MOE issued a notice that the ATI request was denied based on ATI’s failure to provide the required information in support of its application.
- 2.6.4** ATI appealed the MOE refusal to amend the ECA. The Receiver has opted not to pursue the appeal as there is no information available that supports the position that the Lagoons are not SWMPs.

## **2.7 Tecumseh Property**

- 2.7.1** 251 leased warehouse space at 1153 Tecumseh Road, Windsor Ontario from Dutton Development Corporation (“**Dutton**”). According to 251 representatives, the premises were vandalized sometime in March 2018 and deemed unsafe for entry. The Receiver understands 251 made several requests of Dutton to repair reported damages caused by the vandalism; however, 251 representatives advise that Dutton failed to act. Due to the receivership no further action was taken by 251 against Dutton.
- 2.7.2** 251 representatives confirm operations were limited to waste transfer and separating. Accordingly, equipment was minimal and comprised primarily of a waste processing/separation line and office equipment.
- 2.7.3** On April 23, 2018 the Receiver attended the Tecumseh Property to inspect and photograph its condition and confirm assets located therein.
- 2.7.4** The Receiver has communicated with Dutton’s legal counsel to confirm the status of 251’s commercial lease and to seek clarification regarding the condition and events leading to 251’s refusal to enter the premises.
- 2.7.5** The Receiver understands the Tecumseh Property has MOE Environmental Compliance Approval (“ECA”) to operate as a waste collection facility. ECA is site specific and transferable subject to MOE approval. The Receiver is assessing its ability and potential economic benefit, if any, of assuming or assigning the commercial lease and associated ECA designation.

## 2.8 1593 Property

- 2.8.1** 229 occupied combined office and warehouse space at 1593 County 34, Kingsville Ontario from 2435895 Ontario Limited (“243”). 229 occupied the 1593 Property under terms of an unsigned lease offer. Counsel for 243 and 229 confirm no lease was ever executed.
- 2.8.2** 243 terminated 229’s occupancy on April 5, 2018.
- 2.8.3** The unsigned lease offer included an option for 229 to purchase the 1593 Property; however, the Receiver is unable to locate a signed version and management of 229 cannot provide any written documentation from 243 acknowledging the purchaser option. The Receiver has reviewed this potential option with its independent legal counsel (as discussed below), who has confirmed that it is not enforceable without a written acknowledgement from 243.

## 2.9 Appraisals

- 2.1** The Receiver commissioned Infinity Asset Solutions to appraise rolling stock and fixed assets.
- 2.2** The Receiver commissioned Metrix Realty to appraise the 329 Property.

## 2.10 Accounts Receivable

- 2.10.1** The consolidated book value of the Companies accounts receivable at the date of receivership was \$306,028 (net of intercompany account balances).
- 2.10.2** The Receiver has processed outstanding invoices and communicated with customers to collect outstanding accounts.
- 2.10.3** The Receiver has collected \$5,375 in accounts receivable to date.

## 2.11 Pre-Receivership Payments

- 2.11.1** BMO identified large payments out of the accounts of ARRRC and ATI in the weeks preceding the receivership and requested the Receiver investigate same. The Receiver wrote to Miller Canfield LLP (“Miller Canfield”), ATI’s pre-receivership legal counsel to request an explanation. The following is a summary of the payments and the Receiver’s actions to date:

Payment	Payee	Date	Explanation from Miller Canfield	Status to Date
<i>ARRRC</i>				
\$70,000	Luke Posthumus	March 22, 2018	Repayment of trust funds advanced to ATI from Luke’s children	Requested return of these funds. Miller Canfield has advised \$26,000 was paid into an RRSP, \$11,000 was used to pay down debt and the balance was paid into a trust account for Luke’s children. No further action by the Receiver.
\$20,000	Steven Posthumus	March 23, 2018	Reimbursement to Steven for payroll expenses he personally covered after the business shut down	Requested return of these funds. Miller Canfield has advised the funds were used to pay down a personal line of credit and some were taken as cash. No further action by the Receiver.

<i>ATI</i>				
\$16,950	Geoff Owen	May 21, 2018	No explanation received	
\$15,000	Wilms and Shier LLP	May 22, 2018	Payment on account to environmental legal counsel, unpaid fees of \$130,000 remain outstanding after this payment	No action taken by Receiver
\$19,038.85	J.R. Filliter Investigative Services	May 22, 2018	Payment for private investigative services, retainer of \$9,730.00 and the balance to pay off account	J.R. Filliter has returned the retainer with proceeds deposited to the Receiver's trust account on May 28, 2018.
\$65,000	Miller Canfield LLP	May 22, 2018	Payment on account of \$12,053.00 and the balance as retainer	Miller Canfield acted as counsel to the Companies prior to the receivership and has advised the retainer funds should remain available to represent the directors. The Receiver has advised Miller Canfield the retainer funds can be used only to advise the directors in matters relating to their role as directors of the Companies (i.e. not in respect of their personal liabilities). The Receiver will request an accounting of the retainer funds and return of any unused portion at the end of the receivership.
\$60,000	Steven Posthumus	March 23, 2018	Reimbursement to Steven for payroll expenses he personally covered after the business shut down	Requested return of these funds. Miller Canfield has advised the funds were used to pay down a personal line of credit and some were taken as cash. No further action by the Receiver.

## 2.12 Inventory Liquidation

2.12.1 The book value of raw material, at the date of receivership was \$3,099,816.

2.12.2 The Receiver has engaged the Posthumus Family on a contract basis to assist in realizing certain of ATI's inventory including bulk coconut husk and plastic bales. Sales are ongoing and conducted on an "as-is/where-is" basis with no representations or warranties by the Receiver. Expenses relative to inventory realization is limited as customers are responsible for all logistical costs.

2.12.3 The Receiver has sold \$72,428 in inventory post receivership.

## 2.13 Employees

2.13.1 Prior to the receivership, the Companies collectively had approximately 36 employees. All employees were laid off on or around March 23, 2018.

2.13.2 The Companies delivered Records of Employment to all employees. Post-receivership operations are limited to the sale of bulk inventory. Accordingly, employees will not be required, and the Receiver has notified employees of their termination as at the date of the Receiver's appointment.

**2.13.3** In lieu of termination notice, employees may be entitled to termination pay. The Receiver has relied on the Companies' records to calculate employee claims for termination pay. Claims for termination pay are eligible under the Wage Earner Protection Program ("WEPP"). The Receiver has initiated the claims process and has notified former employees of their eligibility to claim amounts in accordance with the WEPP legislation.

## **2.14 CRA**

**2.14.1** Following its appointment, the Receiver requested that CRA perform an audit of the Company's source deduction account up to the date of receivership. CRA has not yet scheduled the audit.

**2.14.2** The Receiver requested a new HST account to be opened for the Receiver's reporting and remitting purposes.

## **2.15 Accountant**

**2.15.1** The Receiver has engaged the Companies former accountant, Collins Barrow LLP ("Collins"), to complete ATI's 2017 corporate income tax return to optimize unrealized income tax refunds.

## **2.16 Insurance**

**2.16.1** The Receiver requested copies of the Companies' insurance policies in respect of its assets and operations. The Receiver was provided copies of the policies and sent notice to the respective insurers to confirm continuance of coverage and requested to be added as an additional named insured.

**2.16.2** The insurer has confirmed the Receiver has been added as an additional named insured.

**2.16.3** The Receiver is reviewing policy limits to determine coverage deficiencies or potential reductions. Certain of the Companies' policies expire July 1, 2018. The Receiver has consulted an alternate insurance provider to quote new insurance terms as the current insurer has indicated it may be unwilling to renew the current policies.

## **2.17 Third Party Assets**

**2.17.1** The Receiver is aware of multiple property claims and is working with claimants to verify ownership rights.

**2.17.2** Upon confirmation of ownership, the Receiver has released fuel tanks owned by Jack Smith Fuels and Dowler-Karn.

## **2.18 Cash and Banking**

**2.18.1** Subsequent to its appointment, the Receiver notified BMO and requested all ARRC and ATI accounts be placed on deposit only status.

**2.18.2** The Receiver arranged to have a new account set up with BMO to facilitate future receipts and disbursements with respect to the receivership administration.

## **2.19 Receiver's Certificate**

**2.19.1** The Receiver borrowed \$100,000 from BMO to fund activities to date, including possession issues, consulting fees and pumping the Lagoon. Receiver Certificate number 001 was issued to BMO for this advance. A copy of Receiver Certificate 001 is attached as **Appendix C**.

## **2.20 Notice**

**2.20.1** The Receiver prepared and issued combined notices pursuant to Section 245(1) and 246(1) of the Bankruptcy and Insolvency Act to the Office of the Superintendent of Bankruptcy and to all known creditors of the Companies (the "Receiver's Notice"). Copies of the Receiver's Notices are attached hereto at **Appendix D**.

**2.20.2** The Receiver has setup a page on it's website at mnpdebt.ca to publicly post all relevant receivership documents, including the Appointment Order.

## **2.21 Independent Counsel Security Opinion**

**2.21.1** The Receiver has retained Miller Thomson LLP ("MT") as independent counsel to provide an opinion to the Receiver on the validity and enforceability of the security held by BMO and other secured creditors and to provide legal advice to the Receiver during the course of the receivership.

**2.21.2** MT is undertaking a review of all leases entered into by the Companies for various assets to assess the validity and enforceability of same.

**2.21.3** The Receiver will provide an update and further report to the Court on this issue once the MT legal opinion is received.

### 3.0

### *Marketing and Sale of Assets*

- 3.1 Pursuant to the Appointment Order, the Receiver is authorized to market any or all of the property of the Companies, including advertising and soliciting offers and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 3.2 The tangible assets of the Companies consist of the following:
- i) The 329 Property;
  - ii) Fixed assets (owned and leased);
  - iii) Rolling stock (owned and leased);
  - iv) Unprocessed inventory (rock-wool, coconut husk and organic vines);
  - v) Processed Inventory (bulk coconut husk and plastic); and
  - vi) The Companies right, title and interest in intellectual property and the Tecumseh Property.
- (collectively the “Assets”)
- 3.3 The Assets are specialized, and their use limited to the Companies operations and manufacturing processes. Recognizing the specialized nature of the Companies business and Assets, the Receiver consulted primary stakeholders including the Companies, the Bank and MNP Corporate Finance to develop the SSP described herein. The Bank’s has approved the Receiver’s SSP.
- 3.4 Working with MNP Corporate Finance, the Receiver identified and developed a list of 215 parties (“**Interested Parties**”) potentially interested in purchasing the Assets and undertakings of the Companies. Interested Parties include domestic and international competitors, other industry participants, equity investment firms and liquidators. Attached as **Appendix E** is a summary of the list of Interested Parties contacted with the sale opportunity.
- 3.5 An Invitation for Proposals describing the Assets, outlining the process to submit a bid and inviting recipients to express their interest (“**Invitation for Proposals**”) was sent to Interested Parties on June 8, 2018. The form of Invitation for Proposals is attached as **Appendix F**.
- 3.6 Prospective purchasers wishing to obtain detailed information about the Companies are required to execute a form of Confidentiality Agreement (“CA”). The form of CA is attached as **Appendix G**.
- 3.7 Upon execution of a CA, prospective purchasers are provided access to the Receiver’s virtual data room dedicated to the sale of Assets and a copy of the Receiver’s Confidential Information Memorandum (“CIM”). The CIM provides a brief overview of the Companies’ operations and assets and the terms and conditions of sale. A version of the CIM with all confidential information redacted is attached at **Appendix H**. Due to the confidential nature of the CIM, the Receiver is disclosing the full unredacted version to the Court via a supplementary report, which the Receiver requests that the Court keep sealed until following the completion of the sale of the Assets.

- 3.8** The Receiver advertised the Invitation for Proposals in the financial section of the national edition of the Globe & Mail on Saturday June 16, 2018.
- 3.9** The Receiver has promoted the sale of Assets through national business magazine publisher, Greenhouse Canada (“GC”). GC is published exclusively for the Canadian commercial greenhouse sector and has a subscribership of 3,000 plus industry professionals. The Invitation for Proposal has been published on GC’s website for a period of one-month effective June 21, 2018 and has been promoted through a mail-blast to GC subscribers.
- 3.10** The Receiver provided a copy of the Invitation for Proposals to Clean Farms Ontario for distribution to its membership. Clean Farms Ontario is group of Ontario farmers dedicated to practising and promoting clean farming practises.
- 3.11** The Receiver notified more than 650 MNP partners across Canada of the SSP and provided a copy of the Invitation for Proposals for distribution to MNP clients that may be interested in the opportunity.
- 3.12** The Receiver published a notice of the SSP in the Insolvency Insider, a weekly email publication that is circulated within the national insolvency industry.
- 3.13** The deadline to submit offers has been established as 2:00 p.m. on Friday, July 27, 2018. The deadline has provided prospective bidders approximately six weeks to complete their due diligence and prepare an offer. The Receiver has pre-arranged Asset viewings on June 15, 20, 26, 27 and July 7, 2018.
- 3.14** The SSP has commenced and the Receiver is presently communicating with multiple prospective purchasers.

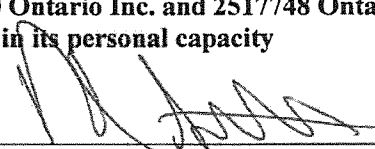
**4.0*****Order Sought***

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- 4.1** We submit this **First Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to:
- (a) Approve the First Report of the Receiver and the activities of the Receiver described herein;
  - (b) Approve the SSP described in Section 3.0 of this First Report; and,
  - (c) Approve the sealing of the Supplement to the First Report and its contents.

All of which is respectfully submitted this 19<sup>th</sup> day of June, 2018.

**MNP Ltd. in its capacity as Receiver of  
ARRRC International Inc., Agriculture Technology Incorporation, 2265469 Ontario Inc.,  
2292760 Ontario Inc. and 2517748 Ontario Inc.  
and not in its personal capacity**

  
Per: Robert W. Smith CPA, CA, CIRP, LIT  
Senior Vice President



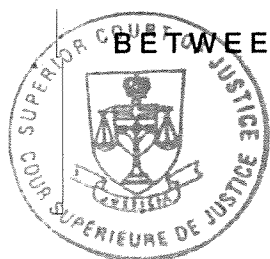
# APPENDIX C

Court File No. CV-18-595565-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE *MR* )  
JUSTICE *T. McEwen* )

THURSDAY, THE 26TH  
DAY OF JULY, 2018



**BETWEEN:**

BANK OF MONTREAL

Applicant

- and -

ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.

Respondents

APPLICATION UNDER Section 243 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.

**ORDER**

THIS MOTION, made by MNP Ltd.. in its capacity as the Court-appointed receiver (the "Receiver") of the assets, undertakings and properties of ARRC International Inc., Agriculture Technology Incorporated, 2265469 Ontario Inc., 2292760 Ontario Inc. and 2517748 Ontario Inc. (the "Debtors") for an order,

- (a) if necessary, abridging the time for and validating service of this Notice of Motion and the First Report of the Receiver to the Court dated June 19, 2018 (the "First Report") and directing that any further service of this Notice of Motion and the First Report be dispensed with such that this motion is properly returnable on July 26, 2018;

- (b) approving the First Report and the conduct and activities of the Receiver reported therein;
- (c) approving the sales process described in section 3.0 of the First Report;
- (d) sealing the Confidential Supplement to the First Report; and
- (e) such further and other relief as counsel may advise and this Honourable Court may deem just.

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Julie Franchini sworn June 27, 2018, filed:

1. THIS COURT ORDERS that the time for and method of service of the Motion Record, including the Notice of Motion and the First Report, are hereby abridged and validated, as necessary, such that this motion is properly returnable today and hereby dispenses with further service thereof;
2. THIS COURT ORDERS that the First Report and the activities and conduct of the Receiver described in the First Report are hereby approved.
3. THIS COURT ORDERS that the sale process for the property of the Debtors as described in section 3.0 of the First Report is hereby approved.
4. THIS COURT ORDERS that the Confidential Supplement to the First Report shall be sealed until the earlier of a) the completion of the sale of the assets of the Debtor, and b) further order of this Court.



ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

JUL 26 2018

PER / PAR: RW

BANK OF MONTREAL      and      ARRC INTERNATIONAL INC., et al.  
Applicant                                  Respondents

Court File No: CV-18-595565-00CL

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

Proceeding commenced at TORONTO

**ORDER**

**MILLER THOMSON LLP  
ONE LONDON PLACE  
255 QUEENS AVENUE, SUITE 2010  
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Tony Van Klink LSO#: 29008M  
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Lawyers for MNP Ltd., the Court-appointed Receiver of the assets, undertakings and properties of ARRC International Inc., Agriculture Technology Incorporated, 2265469 Ontario Inc., 2292760 Ontario Inc. and 2517748 Ontario Inc.

July 26/18

26 July 18

order to go as per draft

Final + signed approving activities  
& sales process.

No one opposes - Activities

& sales process both reasonable

A sealing order is also  
issued over the conf. supplement

as Stena Club criteria are met.

McEnt

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at TORONTO

MOTION RECORD  
(RETURNABLE JULY 26, 2018)

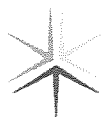
MILLER THOMSON LLP  
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Lawyers for MNP Ltd., the Court-  
appointed Receiver of the assets,  
undertakings and properties of ARRC  
International Inc., Agriculture Technology  
Incorporated, 2265469 Ontario Inc., 2292760  
Ontario Inc. and 2517748 Ontario Inc.



# APPENDIX D



**MILLER THOMSON**  
AVOCATS | LAWYERS

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July 5, 2018

**Delivered via E-mail/Original by Mail**  
**(rob.smith@mnp.ca)**

**Tony Van Klink**  
Direct Line: 519.931.3509  
tvanklink@millerthomson.com

File: 0223176.0003

MNP Ltd.  
1002 - 148 Fullarton Street  
London, ON N6A 5P3

Attention: Rob Smith

Dear Sir:

**Re: ARRRC International Inc. ("ARRRC"), Agriculture Technology Incorporated ("ATI"), 2265469 Ontario Inc. ("226 Ontario"), 2292760 Ontario Inc. ("229 Ontario"), and 2517748 Ontario Inc. ("251 Ontario and collectively, the "Debtors")**

By Order of the Honourable Mr. Justice Pattillo dated April 18, 2018 MNP Ltd. (the "Receiver") was appointed as the receiver of the assets, undertakings and properties of the Debtors.

The following is our report to you and our opinion on the following:

1. The validity and enforceability of the security held by Bank of Montreal ("BMO") against the assets, undertakings and properties of the Debtors;
2. The validity and enforceability of various lease agreements between ATI, as lessee, and Axiom Leasing Inc. ("Axiom"), Blueshore Leasing Ltd. ("Blueshore"), CWB Maxium Financial Inc. ("Maxium"), RCAP Leasing Inc. ("RCAP"), National Leasing Group Inc. ("National"), Great Lakes Leasing, a division of 1354439 Ontario Inc. ("Great Lakes"), Blueshore Transport Finance Ltd. ("Blueshore Transport"), John Deere Canada ULC ("John Deere") and Wells Fargo Equipment Finance Company ("Wells Fargo" and collectively, the "Equipment Lessors"), as lessors; and
3. The relative priority of the security interests of BMO and the Equipment Lessors.

### **ASSUMPTIONS AND QUALIFICATIONS**

The opinions expressed in this letter are subject to the qualifications and assumptions set forth on Schedule "A" to this letter.

### **SEARCHES**

We have conducted the following searches concerning ATI:

1. Corporation Profile Report – we obtained a corporation profile report with respect to ATI on June 7, 2018 which confirmed that ATI was incorporated under the laws of the Province of Ontario under its present name on August 23, 1995;
2. Certificate of Status – we obtained a certificate of status with respect to ATI which confirmed that ATI had not been dissolved as of June 7, 2018;
3. *Personal Property Security Act (Ontario) (“PPSA”)* – we obtained a search of registrations against ATI under the *PPSA* with a file currency of June 6, 2018. The registrations disclosed by that search are summarized on Schedule “B” to this letter; and
4. *Bank Act (Canada)* – we obtained a search of registrations against ATI under the *Bank Act* in the Province of Ontario as of June 7, 2018. That search did not disclose any outstanding registrations against ATI as of that date.

We have conducted the following searches concerning ARRRC:

1. Corporation Profile Report – we obtained a corporation profile report with respect to ARRRC on June 7, 2018 which confirmed that ARRRC was incorporated under the laws of the Province of Ontario under its present name on February 23, 2004;
2. Certificate of Status – we obtained a certificate of status with respect to ARRRC which confirmed that ARRRC had not been dissolved as of June 7, 2018;
4. *PPSA* – we obtained a search of registrations against ARRRC under the *PPSA* with a file currency of June 6, 2018. The registrations disclosed by that search are summarized on Schedule “C” to this letter;
5. *Bank Act (Canada)* – we obtained a search of registrations against ARRRC under the *Bank Act* in the Province of Ontario as of June 7, 2018. That search did not disclose any outstanding registrations against ARRRC as of that date;
6. Land Titles – we performed a subsearch of the real property legally described as PT LT 265 CON NTR GOSFIELD AS IN R1460170; KINGSVILLE (“Real Property”) on June 7, 2018. That subsearch disclosed that ARRRC was the registered owner of the Real Property and the following registrations:
  - (a) Notice with respect to an Amendment to a Site Plan Agreement registered by the Corporation of the Town of Kingsville on December 12, 2013 as instrument CE594394;
  - (b) Charge in the principal amount of \$12,800,000 in favour of BMO registered on July 17, 2015 as instrument CE667434 (“BMO Charge”);
  - (c) Notice of Assignment of Rents in favour of BMO registered on July 17, 2015 as instrument CE667435;





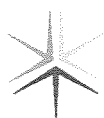
- (d) Notice of Lease in favour of Paid4Power Investments Inc. registered on November 18, 2015 as instrument CE688842;
  - (e) Notice of Security Interest in favour of Maxium registered on August 22, 2017 as instrument CE788281; and
  - (f) Notice of Security Interest in favour of Blueshore registered on November 21, 2017 as instrument CE804622.
7. *Planning Act* – we completed abutting lands searches for the Real Property as of the date of the granting of the BMO Charge to ensure compliance of the BMO Charge with section 50 of the *Planning Act*. The abutting lands searches confirmed that ARRRC was not the registered owner of any abutting lands at the date of the registration of the BMO Charge on title to the Real Property.

We have conducted the following searches concerning 229 Ontario:

1. Corporation Profile Report – we obtained a corporation profile report with respect to 229 Ontario on June 7, 2018 which confirmed that 229 Ontario was incorporated under the laws of the Province of Ontario under its present name on July 20, 2011;
2. Certificate of Status – we obtained a certificate of status with respect to 229 Ontario which confirmed that 229 Ontario had not been dissolved as of June 7, 2018;
3. *PPSA* – we obtained a search of registrations against 229 Ontario under the *PPSA* with a file currency of June 6, 2018. The registrations disclosed by that search are summarized on Schedule “D” to this letter; and
4. *Bank Act (Canada)* – we conducted a search of registrations against 229 Ontario under the *Bank Act* in the Province of Ontario as of June 7, 2018. That search did not disclose any outstanding registrations against 229 Ontario as of that date.

We have conducted the following searches concerning 226 Ontario:

1. Corporation Profile Report – we conducted a corporation profile report with respect to 226 Ontario on June 7, 2018 which confirmed that 226 Ontario was incorporated under the laws of the Province of Ontario under its present name on November 30, 2010;
2. Certificate of Status – we obtained a certificate of status with respect to 226 Ontario which confirmed that 229 Ontario had not been dissolved as of June 7, 2018;
3. *PPSA* – we obtained a search of registrations against 226 Ontario under the *PPSA* with a file currency of June 6, 2018. The registrations disclosed by that search are summarized on Schedule “E” to this letter; and
4. *Bank Act (Canada)* – we conducted a search of registrations against 226 Ontario under the *Bank Act* in the Province of Ontario as of June 7, 2018. That search did not disclose any outstanding registrations against 226 Ontario as of that date.



We have conducted the following searches concerning 251 Ontario:

1. Corporation Profile Report – we conducted a corporation profile report with respect to 251 Ontario on June 7, 2018 which confirmed that 251 Ontario was incorporated under the laws of the Province of Ontario under its present name on May 11, 2016;
2. Certificate of Status – we obtained a certificate of status with respect to 251 Ontario which confirmed that 229 Ontario had not been dissolved as of June 7, 2018;
3. *PPSA* – we obtained a search of registrations against 251 Ontario under the *PPSA* with a file currency of June 6, 2018. The registrations disclosed by that search are summarized on Schedule “F” to this letter; and
4. *Bank Act (Canada)* – we conducted a search of registrations against 251 Ontario under the *Bank Act* in the Province of Ontario as of June 7, 2018. That search did not disclose any outstanding registrations against 251 Ontario as of that date.

### **SECURITY REVIEWED**

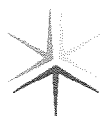
#### **BMO**

We have reviewed copies of the following security documents granted by the Debtors to BMO:

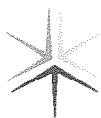
1. The BMO Charge together with an Acknowledgment and Direction dated July 16, 2015 authorizing the registration of the BMO Charge;
2. A General Security Agreement dated December 27, 2013 granted by ATI (“BMO ATI GSA”);
3. A General Security Agreement dated December 27 2013 granted by ARRC (“BMO ARRC GSA”);
4. A General Security Agreement dated May 12, 2017 granted by 226 Ontario (“BMO 226 Ontario GSA”);
5. A General Security Agreement dated May 12, 2017 granted by 229 Ontario (“BMO 229 Ontario GSA”);
6. A General Security Agreement dated May 12, 2017 granted by 251 Ontario (“BMO 251 Ontario GSA”).

#### **Equipment Lessors**

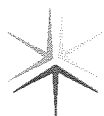
We have reviewed copies of the following agreements between ATI and the Equipment Lessors:



- (a) *Axiom*
- (i) Lease number AT11 (undated) with respect to a Berg chiller system with BAC cooling tower (“Axiom Lease Agreement”).
- (b) *Blueshore*
- (i) four equipment lease agreements made between Jyske Lease Corporation (“Jyske”) and ATI pursuant to Master Lease number 7815 and assigned by Jyske to Blueshore, the particulars of which are as follows:
    - (A) Lease Schedule number 1 dated October 30, 2014 with respect to a 40-yard roll off bin and dumping hopper (“Blueshore Lease Agreement No. 1”);
    - (B) Lease Schedule number 2 dated February 24, 2017 with respect to a used 2013 CAT generator (“Blueshore Lease Agreement No. 2”);
    - (C) Lease Schedule number 3 dated June 28, 2017 with respect to certain climate control equipment (“Blueshore Lease Agreement No. 3”); and
    - (D) Lease Schedule number 4 dated July 31, 2017 with respect to a 10-inch Akron extrusion line (“Blueshore Lease Agreement No. 4”).
  - (ii) Lease dated October 4, 2017 made pursuant to Master Lease Number 7815 with respect to a 3i energy system (“Blueshore Lease Agreement No. 5”).
- (c) *Maxium*
- (i) Lease Agreement number MFL1 dated August 14, 2017 with respect to a 3i energy system (“Maxium Lease Agreement”).
- (d) *RCAP*
- (i) two equipment lease agreements made between Jyske and ATI and assigned by Jyske to RCAP, the particulars of which are as follows:
    - (A) Lease Contract number 285018 dated March 17, 2015 with respect to a 2015 Mack truck (“RCAP Lease Agreement No. 1”); and
    - (B) Lease Contract number 337495 dated June 27, 2017 with respect to a climate manager – weather station (“RCAP Lease Agreement No. 2”).



- (e) *National*
- (i) Lease Contract number 2687589 dated October 10, 2014 with respect to a 2013 Merlo Model 55-9 Telehandler and accessories ("National Lease Agreement No. 1");
  - (ii) Lease Contract number 2692051 dated November 12, 2014 with respect to a 40-yard roll off bin ("National Lease Agreement No. 2 ");
  - (iii) Lease Contract number 2765482 dated May 6, 2016 with respect to a 2006 CAT diesel generator and 2013 CAT diesel generator and related equipment ("National Lease Agreement No. 3");
  - (iv) Lease Contract number 2807773 dated March 3, 2017 with respect to a sound attenuated container, transformer and heat recovery system/cooler and related accessories and a used 2013 CAT generator ("National Lease Agreement No. 4"); and
  - (v) Lease Contract number 2809240 dated March 8, 2017 with respect to a sound attenuated container, transformer and heat recovery system/cooler and related accessories and a used 2013 CAT generator ("National Lease Agreement No. 5").
- (f) *Great Lakes*
- (i) Lease Agreement number 207708 dated July 27, 2016 with respect to a custom built dryer and related attachments and accessories ("Great Lakes Lease Agreement").
- (g) *Blueshore Transport*
- (i) Equipment Lease Agreement dated July 5, 2016 made between Jyske and ATI pursuant to Master Lease Number 7815 and assigned to Blueshore Transport with respect to a 2014 McCloskey 716 static custom trammel with static drum and feeder ("Blueshore Transport Lease Agreement").
- (h) *John Deere*
- (i) Commercial Lease Agreement number 110-0275886-002 made between Integrated Distribution Systems LP and ATI and assigned to John Deere with respect to a Hitachi excavator ("John Deere Lease Agreement").
- (i) *Wells Fargo*
- (i) Leasing Agreement number 9851659001 dated March 3, 2016 with respect to a 2016 JCB409B wheel loader ("Wells Fargo Lease Agreement No. 1");



- (ii) Leasing Agreement number 9854440001 dated March 3, 2016 with respect to a 2016 JCB260T multi-terrain loader ("Wells Fargo Lease Agreement No. 2");
- (iii) Leasing Agreement number 9852022001 dated March 10, 2016 with respect to a used 2015 JCB wheel loader ("Wells Fargo Lease agreement No. 3"); and
- (iv) Leasing Agreement number 9858385001 dated March 29, 2016 with respect to a 2015 JCBTM320 agri telescopic wheel loader ("Wells Fargo Lease Agreement No. 4").

#### The BMO Charge

The BMO Charge was registered electronically in the Essex Land Registry Office on July 17, 2015 as instrument CE667434. The registered BMO Charge indicates that it was signed by Matthew David Posthumus ("Matthew") on behalf of ARRC. The Acknowledgment and Direction authorizing the electronic registration of the BMO Charge was also signed by Matthew on behalf of ARRC.

The BMO Charge is in the principal amount of \$12,800,000 and is a collateral charge securing all indebtedness of ARRC to BMO.

#### The BMO ATI GSA

The BMO ATI GSA has been executed by Matthew on behalf of ATI. Under the terms of the BMO ATI GSA, ATI granted BMO a security interest in all of ATI's present and after-acquired personal property and real property as security for all of its present and future indebtedness to BMO.

#### The BMO ARRC GSA

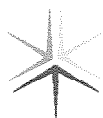
The BMO ARRC GSA has been executed by Matthew and Luke John Posthumus on behalf of ARRC. Under the terms of the BMO ARRC GSA, ARRC granted BMO a security interest in all of ARRC's present and after-acquired personal property and real property as security for all of its present and future indebtedness to BMO.

#### The BMO 226 Ontario GSA

The BMO 226 Ontario GSA has been executed by Matthew on behalf of 226 Ontario. Under the terms of the BMO 226 Ontario GSA, 226 Ontario granted BMO a security interest in all of 226 Ontario's present and after-acquired personal property and real property as security for all of its present and future indebtedness to BMO.

#### The BMO 229 Ontario GSA

The BMO 229 Ontario GSA has been executed by Steven Posthumus on behalf of 229 Ontario. Under the terms of the BMO 229 Ontario GSA, 229 Ontario granted BMO a security interest in all of 229 Ontario's present and after-acquired personal property and real property as security for all of its present and future indebtedness to BMO.



### The BMO 251 Ontario GSA

The BMO 251 Ontario GSA has been executed by Steven Posthumus on behalf of 251 Ontario. Under the terms of the BMO 251 Ontario GSA, 251 Ontario granted BMO a security interest in all of 251 Ontario's present and after-acquired personal property and real property as security for all of its present and future indebtedness to BMO.

### Axiom Lease Agreement

The Axiom Lease Agreement has been executed by Matthew on behalf of ATI. The copy of the Axiom Lease Agreement provided to us is undated and is not signed by a representative of Axiom. Under the terms of the Axiom Lease Agreement, Axiom agreed to lease the equipment described therein for a term of 60 months commencing November 27, 2017. The Axiom Lease Agreement includes a purchase option which permits ATI to purchase the leased equipment at the conclusion of the lease term for \$10. The Axiom Lease Agreement includes a delivery and acceptance certificate signed by ATI confirming the delivery of the equipment described in the Axiom Lease Agreement to ATI on October 27, 2017.

### Blueshore Lease Agreement No. 1

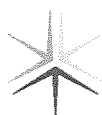
Blueshore Lease Agreement No. 1 has been executed by Matthew on behalf of ATI and a representative of Jyske. Blueshore Lease Agreement No. 1 was accepted by Jyske on October 30, 2014. Under the terms of Blueshore Lease Agreement No. 1, Jyske agreed to lease the equipment described therein for a term of 60 months commencing on November 6, 2014. Matthew has executed a delivery and acceptance certificate (undated) acknowledging receipt of the leased equipment. Blueshore Lease Agreement No. 1 includes a purchase option which permits ATI to purchase the equipment at the conclusion of the lease term for \$10, plus applicable taxes. By an Assignment dated November 6, 2014, Blueshore Lease Agreement No. 1 was assigned by Jyske to Blueshore.

### Blueshore Lease Agreement No. 2

Blueshore Lease Agreement No. 2 has been executed by Matthew on behalf of ATI and a representative of Jyske. Under the terms of Blueshore Lease Agreement No. 2, Jyske agreed to lease the equipment described therein for a term of 60 months commencing on March 1, 2017. Matthew has executed a delivery and acceptance certificate dated February 24, 2017 acknowledging receipt of the leased equipment. Blueshore Lease Agreement No. 2 includes a purchase option which permits ATI to purchase the leased equipment at the conclusion of the lease term for \$10, plus applicable taxes. By an Assignment dated March 1, 2017, Blueshore Lease Agreement No. 2 was assigned by Jyske to Blueshore.

### Blueshore Lease Agreement No. 3

Blueshore Lease Agreement No. 3 has been executed by Matthew on behalf of ATI and a representative of Jyske. Blueshore Lease Agreement No. 3 was accepted by Jyske on June 28, 2017. Under the terms of Blueshore Lease Agreement No. 3, Jyske agreed to lease the equipment described therein for a term of 60 months commencing on June 30, 2017. Matthew has executed a delivery and acceptance certificate dated June 27, 2017 acknowledging receipt of the leased equipment. By an Assignment dated June 30, 2017, Blueshore Lease Agreement No. 3 was assigned by Jyske to Blueshore.



#### Blueshore Lease Agreement No. 4

Blueshore Lease Agreement No. 4 has been executed by Matthew on behalf of ATI and a representative of Jyske. Blueshore Lease Agreement No. 4 was accepted by Jyske on July 31, 2017. Under the terms of Blueshore Lease Agreement No. 4, Jyske agreed to lease the equipment described therein to ATI for a term of 60 months commencing on July 31, 2017. Matthew has executed a delivery and acceptance certificate dated July 31, 2017 acknowledging receipt of the leased equipment. Blueshore Lease Agreement No. 4 includes a purchase option which permits ATI to purchase the leased equipment at the conclusion of the lease term for \$10, plus applicable taxes. By an Assignment dated July 31, 2017, Blueshore Lease Agreement No. 4 was assigned by Jyske to Blueshore.

#### Blueshore Lease Agreement No. 5

Blueshore Lease Agreement No. 5 has been executed by Matthew on behalf of ATI and a representative of Blueshore. Blueshore Lease Agreement No. 5 was accepted by Blueshore on October 4, 2017. Under the terms of Blueshore Lease Agreement No. 5, Blueshore agreed to lease the equipment described therein to ATI for a term of 48 months commencing on October 4, 2017. Blueshore Lease Agreement No. 5 includes a purchase option which permits ATI to purchase the equipment described in Blueshore Lease Agreement No. 5 throughout the lease term on the anniversary date for varying amounts.

#### Maxium Lease Agreement

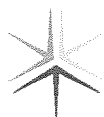
The Maxium Lease Agreement has been executed by Matthew on behalf of ATI and a representative of Maxium. The Maxium Lease Agreement was accepted by Maxium on August 14, 2017. Under the terms of the Maxium Lease Agreement, Maxium agreed to lease the equipment described therein for a term of 60 months commencing on August 15, 2017. The Maxium Lease Agreement includes a purchase option which permits ATI to purchase the leased equipment at the conclusion of the lease term for \$100.

#### RCAP Lease Agreement No. 1

RCAP Lease Agreement No. 1 has been executed by Matthew on behalf of ATI and a representative of Jyske. RCAP Lease Agreement No. 1 was accepted by Jyske on March 17, 2015. Under the terms of RCAP Lease Agreement No. 1, Jyske agreed to lease the equipment described therein for a term of 60 months commencing on April 1, 2015. RCAP Lease Agreement No. 1 includes an assignment clause whereby Jyske assigned RCAP Lease Agreement No. 1 to RCAP.

#### RCAP Lease Agreement No. 2

RCAP Lease Agreement No. 2 has been executed by Matthew on behalf of ATI and a representative of Jyske. RCAP Lease Agreement No. 2 was accepted by Jyske on June 27, 2017. Under the terms of RCAP Lease Agreement No. 2, Jyske agreed to lease the equipment described therein for a term of 60 months commencing on July 1, 2017. There is a notation on the face of RCAP Lease Agreement No. 2 signed by Jyske indicating that RCAP Lease Agreement No. 2 was assigned by Jyske to RCAP.



#### National Lease Agreement No. 1

National Lease Agreement No. 1 has been executed by Matthew on behalf of ATI and a representative of National. National Lease Agreement No. 1 was accepted by National on October 10, 2014. Under the terms of National Lease Agreement No. 1, National agreed to lease the equipment described therein for a term of 60 months commencing on November 1, 2014. The residual value of the leased equipment at the end of the lease term was to be \$38,582. Any surplus or shortfall from that amount arising from the disposition of the leased equipment at the end of the lease term was to be for the account of ATI.

#### National Lease Agreement No. 2

National Lease Agreement No. 2 has been executed by Matthew on behalf of ATI and a representative of National. National Lease Agreement No. 2 was accepted by National on November 12, 2014. Under the terms of National Lease Agreement No. 2, National agreed to lease the equipment described therein for a term of 60 months commencing on December 1, 2014. National Lease Agreement No. 2 includes a purchase option which permits ATI to purchase the leased equipment at the conclusion of the lease term for \$10.

#### National Lease Agreement No. 3

National Lease Agreement No. 3 has been executed by Matthew on behalf of ATI and a representative of National. National Lease Agreement No. 3 was accepted by National on May 6, 2016. Under the terms of National Lease Agreement No. 3, National agreed to lease the equipment described therein for a term of 60 months commencing on May 7, 2016. National Lease Agreement No. 3 includes a purchase option which permits ATI to purchase the leased equipment at the conclusion of the lease term for \$10.

#### National Lease Agreement No. 4

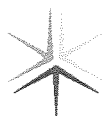
National Lease Agreement No. 4 has been executed by Matthew on behalf of ATI and a representative of National. National Lease Agreement No. 4 was accepted by National on March 3, 2017. Under the terms of National Lease Agreement No. 4, National agreed to lease the equipment described therein for a term of 60 months commencing on March 1, 2017. National Lease Agreement No. 4 includes a purchase option which permits ATI to purchase the leased equipment at the conclusion of the lease term for \$10.

#### National Lease Agreement No. 5

National Lease Agreement No. 5 has been executed by Matthew on behalf of ATI and a representative of National. National Lease Agreement No. 5 was accepted by National on March 8, 2017. Under the terms of National Lease Agreement No. 5, National agreed to lease the equipment described therein for a term of 60 months commencing on April 1, 2017. National Lease Agreement No. 5 includes a purchase option which permits ATI to purchase the leased equipment at the conclusion of the lease term for \$10.

#### Great Lakes Lease Agreement

The Great Lakes Lease Agreement has been executed by Matthew on behalf of ATI and a representative of Great Lakes. The Great Lakes Lease Agreement was accepted by Great





Lakes on July 27, 2016. Under the terms of Great Lakes Lease Agreement, Great Lakes agreed to lease the equipment described therein for a term of 36 months.

#### Blueshore Transport Lease Agreement

The Blueshore Transport Lease Agreement has been executed by Matthew on behalf of ATI and a representative of Jyske. The Blueshore Transport Lease Agreement was accepted by Jyske on July 5, 2016. Under the terms of the Blueshore Transport Lease Agreement, Jyske agreed to lease the equipment described therein for a term of 66 months. The Blueshore Transport Lease Agreement includes a purchase option exercisable after 60 months which permits ATI to purchase the leased equipment for the sum of \$16,000. By an Assignment Agreement dated July 5, 2016, the Blueshore Transport Lease Agreement was assigned by Jyske to Blueshore Transport.

#### John Deere Lease Agreement

The John Deere Lease Agreement has been executed by Matthew on behalf of ATI and a representative of Integrated Distribution Systems LP, the original equipment dealer. The John Deere Lease Agreement was accepted by Integrated Distribution Systems LP on April 6, 2016. Under the terms of the John Deere Lease Agreement, Integrated Distribution Systems LP agreed to lease the equipment described therein for a term of 48 months commencing on March 31, 2016. The John Deere Lease Agreement includes a purchase option which permits ATI to purchase the leased equipment at the conclusion of the lease term for \$90,811.89. The John Deere Lease Agreement includes a provision which permits the assignment of the John Deere Lease Agreement to John Deere.

#### Wells Fargo Lease Agreement No. 1

Wells Fargo Lease Agreement No. 1 has been executed by Matthew on behalf of ATI and a representative of Wells Fargo. Wells Fargo Lease Agreement No. 1 was accepted by Wells Fargo on March 3, 2016. Under the terms of Wells Fargo Lease Agreement No. 1, Wells Fargo agreed to lease the equipment described therein for a term of 49 months. Wells Fargo Lease Agreement No. 1 includes a purchase option which permits ATI to purchase the leased equipment after 48 months for the sum of \$35,000.

#### Wells Fargo Lease Agreement No. 2

Wells Fargo Lease Agreement No. 2 has been executed by Matthew on behalf of ATI and a representative of Wells Fargo. Wells Fargo Lease Agreement No. 2 was accepted by Wells Fargo on March 3, 2016. Under the terms of Wells Fargo Lease Agreement No. 2, Wells Fargo agreed to lease the equipment described therein for a term of 49 months. Wells Fargo Lease Agreement No. 2 includes a purchase option which permits ATI to purchase the leased equipment after 48 months for the sum of \$36,120.

#### Wells Fargo Lease Agreement No. 3

Wells Fargo Lease Agreement No. 3 has been executed by Matthew on behalf of ATI and a representative of Wells Fargo. Wells Fargo Lease Agreement No. 3 was accepted by Wells Fargo on March 10, 2016. Under the terms of Wells Fargo Lease Agreement No. 3, Wells Fargo agreed to lease the equipment described therein for a term of 49 months. Wells



Fargo Lease Agreement No. 3 includes a purchase option which permits ATI to purchase the leased equipment after 48 months for the sum of \$37,200.

#### Wells Fargo Lease Agreement No. 4

Wells Fargo Lease Agreement No. 4 has been executed by Matthew on behalf of ATI and a representative of Wells Fargo. Wells Fargo Lease Agreement No. 4 was accepted by Wells Fargo on March 29, 2016. Under the terms of Wells Fargo Leasing Agreement No. 4, Wells Fargo agreed to lease the equipment described therein for a term of 49 months. Wells Fargo Lease Agreement No. 4 includes a purchase option which permits ATI to purchase the leased equipment after 48 months for the sum of \$43,820.

#### PPSA Registrations

The *PPSA* registrations outstanding against the Debtors as of June 6, 2018 are summarized on attached Schedules "B" to "F".

The registrations in favour of BMO against the Debtors are in proper form and perfect the security interests created by the General Security Agreements held by BMO against the Debtors.

Many of the lease agreements entered into by ATI with the Equipment Lessors as described above include purchase options or other terms which indicate that they are, in substance, financing arrangements. All of the lease agreements are for a term longer than 12 months. All of the lease agreements entered into by ATI with the Equipment Lessors as described above create a security interest within the meaning of the *PPSA* and, as such, are subject to the provisions of the *PPSA*.

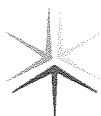
In a number of instances, the lease agreements were assigned by the original lessors to the present lessors. In each of those instances, a financing statement was registered by the assignee rather than the original lessor. Section 47(2) of the *PPSA* permits a financing statement to record the assignee as the secured party where a security interest has been assigned but not previously perfected by registration.

The registrations in favour of the Equipment Lessors are in proper form and perfect the security interests created by the various equipment lease agreements entered into by ATI with the Equipment Lessors as described above.

The BMO registrations against ATI are prior in time to each of the registrations in favour of the Equipment Lessors. The security interests of each of the Equipment Lessors are purchase money security interests in the specific leased equipment. In each case, the registrations made by the Equipment Lessors were made within the 15 day period provided for in s. 33(2)(a) of the *PPSA*. As such, the purchase money security interests of the Equipment Lessors in the specific leased equipment have priority over BMO's security interest in the leased equipment.

We were not provided with copies of lease/security documents for the following registrations:

1. Nicas Investments Ltd. – File No. 734175315;



2. National Leasing Group Inc. – File No. 718249842;
3. National Leasing Group Inc. – File No. 701233929; and
4. Echelon Insurance – File No. 721771272.

#### Notices of Security Interest

Maxium registered a Notice of Security Interest with respect to the equipment described in the Maxium Lease Agreement against title to the Real Property on August 22, 2017 as instrument CE788281. Blueshore registered a Notice of Security Interest with respect to the equipment described in Blueshore Lease Agreement No. 5 against title to the Real Property on November 21, 2017 as instrument CE804622.

Under s. 34(1) of the *PPSA*, a security interest in goods which attached before the goods became a fixture has priority as to the fixture over the claim of any person who has an interest in the real property.

#### OPINIONS

Subject to the qualifications and assumptions set forth on Schedule "A" to this letter, we are of the opinion that:

1. The BMO Charge is valid and enforceable security against the Real Property;
2. BMO has a valid and perfected security interest in the personal property of the Debtors;
3. Each of the Equipment Lessors has a valid and perfected purchase money security interest in the equipment described in the lease agreement(s) to which it is a party;
4. The Equipment Lessors' purchase money security interest in the leased equipment has priority over BMO's security interest in the leased equipment; and
5. If the equipment described in the Maxium Lease Agreement and Blueshore Lease Agreement No. 5 are fixtures to the Real Property, the security interest of Maxium and Blueshore in that equipment/fixtures has priority over BMO's security therein under the BMO Charge.

Yours truly,



Tony Van Klink  
TVK/jf

Enclosures



## SCHEDULE "A"

### **Genuineness and Authenticity**

We assume the genuineness of all signatures and the authenticity of all documents or copies thereof.

### **Equity and other Statutory Limitations**

The opinions herein expressed are subject to any equities between the parties of which we have no notice or knowledge.

### **Proper Corporate Authorization**

We assume that the security documents/lease agreements described in the attached letter have been executed by proper signing officers of the Debtors duly authorized.

### **Accuracy of PPSA Register and Public Records**

We have assumed the accuracy of all public records, indexes and filing systems which we have searched or have caused inquiries to be made. We also assume that the registrations disclosed by the *PPSA* and *Bank Act* searches which we have conducted accurately reflect the contents of and all registrations affecting the Debtors made by all secured parties.

### **Laws of Ontario**

The opinions expressed herein, insofar as same relate to personal property, are limited to personal property located in the Province of Ontario. The opinions expressed herein are, as well, limited to the laws of the Province of Ontario and all federal laws applicable therein.

### **Attachment**

We assume that the Debtors either owned or had rights akin to ownership in respect of their personal property to permit the security interests created in the security documents/lease agreements to attach within the meaning of the *PPSA*. To the extent that the leased assets are fixtures to the Real Property, we assume that the security interest attached before the leased assets became fixtures.

### **Consideration and Outstanding Indebtedness**

We assume that consideration was given by BMO and the Equipment Lessors to support the granting of the security documents/lease agreements.

### **Subordination**

We assume that there are no agreements between BMO and the Equipment Lessors by which the Equipment Lessors agreed to subordinate their purchase money security interests in the leased equipment to the BMO security interest.

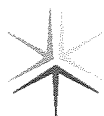


## SCHEDULE "B"

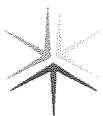
**ONTARIO PERSONAL PROPERTY SECURITY ACT SEARCH  
IN THE NAME OF AGRICULTURE TECHNOLOGY INCORPORATED**

**FILE CURRENCY: JUNE 6, 2018**

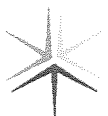
<b>REGISTRATION NO.</b>	<b>SECURED PARTY</b>	<b>COLLATERAL CLASSIFICATION</b>	<b>PPSA (P)/ RSLA (R)</b>
20131217 1545 1590 3347	BANK OF MONTREAL	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P
20140206 1323 1532 6647	BANK OF MONTREAL/BANQUE DE MONTREAL	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P
20141009 1458 6005 5919	NATIONAL LEASING GROUP INC.	EQUIPMENT, MOTOR VEHICLE INCLUDED	P
20141103 1945 1531 5719	BLUESHORE LEASING LTD.	EQUIPMENT	P
20141103 1541 6005 6380	NATIONAL LEASING GROUP INC.	EQUIPMENT	P
20141112 1022 6005 6521	NATIONAL LEASING GROUP INC.	EQUIPMENT	P
20150318 1030 8077 6388 20150319 1432 8077 6552 20150319 1432 8077 6553	RCAP LEASING INC.	EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P
20160307 1413 5064 8306	WELLS FARGO EQUIPMENT FINANCE COMPANY	EQUIPMENT, MOTOR VEHICLE INCLUDED	P
20160307 1256 5064 8303	WELLS FARGO EQUIPMENT FINANCE COMPANY	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P
20160311 1038 5064 8465	WELLS FARGO EQUIPMENT FINANCE COMPANY	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P



20160331 1104 5064 9609	WELLS FARGO EQUIPMENT FINANCE COMPANY	EQUIPMENT, MOTOR VEHICLE INCLUDED	P
20160404 1636 8077 3992	JOHN DEERE CANADA ULC	EQUIPMENT, OTHER, MOTOR VEHICLE INCLUDED	P
20160429 1139 6005 7452 20170217 1235 6005 3065	NATIONAL LEASING GROUP INC.	EQUIPMENT	P
20160629 1935 1531 9007	NORTH SHORE TRANSPORT FINANCE LTD.  BLUESHORE TRANSPORT FINANCE LTD.	EQUIPMENT, MOTOR VEHICLE INCLUDED	P
20160704 1354 6005 8869	NATIONAL LEASING GROUP INC.	EQUIPMENT	P
20160808 0933 1616 9372	GREAT LAKES LEASING A DIVISION OF 1354439 ONTARIO INC.	EQUIPMENT, OTHER	P
20161021 1402 1462 5228	ECHELON INSURANCE	OTHER	P
20170227 1936 1531 2753	BLUESHORE LEASING LTD.	EQUIPMENT, MOTOR VEHICLE INCLUDED	P
20170227 1431 6005 3208	NATIONAL LEASING GROUP INC.	EQUIPMENT	P
20170302 1528 6005 3269	NATIONAL LEASING GROUP INC.	EQUIPMENT	P
20170629 1933 1531 9658	BLUESHORE LEASING LTD.	EQUIPMENT	P
20170629 1038 8077 6699	RCAP LEASING INC.	EQUIPMENT, ACCOUNTS, OTHER	P
20170731 1933 1531 8128	BLUESHORE LEASING LTD.	EQUIPMENT	P



20170814 1440 1530 2082	CWB MAXIUM	EQUIPMENT, OTHER	P
20170818 1941 1531 8428	FINANCIAL INC.		
20171003 1932 1531 2267	BLUESHORE LEASING LTD.	EQUIPMENT	P
20171027 1019 9243 0553	AXIOM LEASING INC.	EQUIPMENT, OTHER	P
20171121 0916 1590 6841	NICAS INVESTMENTS LTD.	ACCOUNTS, OTHER	P

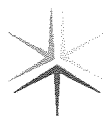


## SCHEDULE "C"

**ONTARIO PERSONAL PROPERTY SECURITY ACT SEARCH  
IN THE NAME OF ARRC INTERNATIONAL INC.**

**FILE CURRENCY: JUNE 6, 2018**

<b>REGISTRATION NO.</b>	<b>SECURED PARTY</b>	<b>COLLATERAL CLASSIFICATION</b>	<b>PPSA (P)/ RSLA (R)</b>
20131217 1544 1590 3345	BANK OF MONTREAL	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P
20131217 1545 1590 3346	BANK OF MONTREAL	ACCOUNTS, OTHER	P
20150715 1528 1590 9907	BANK OF MONTREAL	ACCOUNTS, OTHER	P
20160809 1453 1532 9902	BANK OF MONTREAL/BANQUE DE MONTREAL	EQUIPMENT, OTHER, MOTOR VEHICLE INCLUDED	P



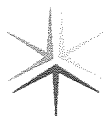


## SCHEDULE "D"

ONTARIO PERSONAL PROPERTY SECURITY ACT SEARCH  
IN THE NAME OF 2292760 ONTARIO INC.

FILE CURRENCY: JUNE 6, 2018

REGISTRATION NO.	SECURED PARTY	COLLATERAL CLASSIFICATION	PPSA (P)/ RSLA (R)
20170510 1726 1532 9278	BANK OF MONTREAL/BANQUE DE MONTREAL	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P
20170511 1652 1590 3722	BANK OF MONTREAL	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P

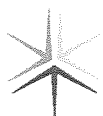


## SCHEDULE "E"

ONTARIO PERSONAL PROPERTY SECURITY ACT SEARCH  
IN THE NAME OF 2265469 ONTARIO INC.

FILE CURRENCY: JUNE 6, 2018

REGISTRATION NO.	SECURED PARTY	COLLATERAL CLASSIFICATION	PPSA (P)/ RSLA (R)
20170510 1726 1532 9277	BANK OF MONTREAL/BANQUE DE MONTREAL	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P
20170511 1652 1590 3724	BANK OF MONTREAL	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P

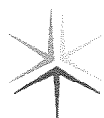


## SCHEDULE "F"

**ONTARIO PERSONAL PROPERTY SECURITY ACT SEARCH  
IN THE NAME OF 2517748 ONTARIO INC.**

**FILE CURRENCY: JUNE 6, 2018**

<b>REGISTRATION NO.</b>	<b>SECURED PARTY</b>	<b>COLLATERAL CLASSIFICATION</b>	<b>PPSA (P)/ RSLA (R)</b>
20161021 1402 1462 5228	ECHELON INSURANCE	OTHER	P
20170510 1726 1532 9276	BANK OF MONTREAL/BANQUE DE MONTREAL	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P
20170511 1652 1590 3723	BANK OF MONTREAL	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	P



# APPENDIX E

2435895 Ontario Limited (the "Landlord")  
 1000 County Road 34  
 Ruthven, Ontario N0P 2G0

SENT VIA EMAIL: [matthew@ar3c.com](mailto:matthew@ar3c.com)  
 SENT VIA REGULAR LETTERMAIL  
 COPY TO PAUL R. LAYFIELD

April 5, 2018

Agricultural Technology Incorporated  
 1593 County Road 34  
 Ruthven, Ontario N0P 2G0

Matthew Posthumus and Mark Posthumus  
 155 Talbot Street  
 Essex, Ontario N8M 2Y2

Dear Sirs:

**Re: 2435895 Ontario Limited (243 OL)  
 Agricultural Technology Incorporated ("ATI")  
 Occupation of Premises at 1593 County Road 34, Ruthven (the "Premises")**

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As you are aware, ATI has been occupying the Premises since September 1, 2015. Since then, the parties have been negotiating and 243 OL has proposed an Offer to Lease and Lease (the "Lease Offer") which sought to address the terms of an intended lease agreement to be entered into. To date, no lease agreement has been entered into. ATI has complied with some of the terms of the Lease Offer, but failed to comply with many of them.

As you are also aware, during ATI's occupation of the Premises, ATI has failed to comply with a number of the basic and fundamental terms of the Lease Offer including, but not limited to the following:

1. The Lease Offer required a security deposit of \$63,750.00 plus rental taxes to be paid to 243 OL on or before July 1, 2016. ATI has refused to pay this deposit and instead indicated that it would only provide payment of one half of this amount. Accordingly ATI owes payment of \$31,875.00 plus rental taxes to 243 OL pursuant to the Lease Offer.
2. ATI has been persistently late in paying rent throughout its occupation of the Premises. It was agreed by the parties that payment of rent was to be made promptly on the first day of each month. In particular, without limitation, ATI was late in making the following rental payments:

**Date Due**

**Date Paid**

November 1, 2016

November 12, 2016

January 1, 2017	January 16, 2017
February 1, 2017	February 23, 2017
May 1, 2017	May 19, 2017
July 1, 2017	July 4, 2017
August 1, 2017	August 23, 2017
September 1, 2017	September 5, 2017
October 1, 2017	November 1, 2017
November 1, 2017	November 22, 2017
December 1, 2017	December 22, 2017
February 1, 2018	February 8, 2018
March 1, 2018	March 15, 2018

ATI has not yet paid rent for the month of April 2018.

2. ATI has withheld payment of rent as a method of coercing 243 OL into conducting various repairs on the roof at the Premises which were not 243 OL's responsibility.
3. The Lease Offer required the Tenant to pay all charges, costs, accounts and any other sums payable in respect of utilities and services to the Premises, and required the Tenant to contract with and pay the suppliers of such utilities directly. ATI refused to contract with the suppliers directly because ATI was unwilling or unable to provide the necessary security deposit required by the utility provider(s). ATI failed to pay the utilities on a timely basis.
4. ATI failed to provide proof of payment to 243 OL of all costs in maintaining the liability, property damage, rental and other insurance carried in respect of the Premises. The Lease Offer required ATI to pay 243 OL for such expenses and provide proof thereof.
5. ATI failed to maintain the Premises and failed make repairs to the premises as required by the Lease Offer. The Lease Offer provided that ATI was to be responsible for all repairs and maintenance and that 243 OL would be responsible for replacements of a structural nature only. However, ATI has persistently forced 243 OL into making repairs which fall outside the scope of work to be done by 243 OL including the following repairs:
  - a) ATI replaced the loading dock pads without approval and required 243 OL to pay for a portion of the repair costs;
  - b) ATI failed to repair the roof, the defect of which, was not structural in nature.
6. ATI has subletted part of the Premises to various subtenants without written approval from 243 OL.
7. ATI has failed to deliver post-dated checks or execute an authorization to automatically debit ATI's account pursuant to the Lease Offer. Demands were made for post-dated checks, including a demand dated November 21, 2017 which ATI failed to comply with.


8. The Lease Offer provided that ATI was to execute a formal lease within 30 days after receipt of the lease from the landlord. A formal lease agreement was delivered to ATI but ATI has failed or refused to sign the lease agreement.

As a result of these breaches and the failure of ATI to execute a formal lease, 243 OL no longer wishes to enter into a formal lease long term agreement with ATI and hereby notifies you that:

1. The Lease Offer is hereby withdrawn, and the offer to lease, if any, is hereby terminated;
2. Any offers to lease are hereby withdrawn and 243 OL is not agreeable to entering into any written lease agreement.
3. 243 OL will continue to permit ATI to occupy the Premises on a month-to-month basis only, on the following terms and conditions:
  1. ATI shall pay \$63750.00 plus rental taxes by certified cheque by Monday April 16, 2018, 1 pm for the outstanding rent for month of April 2018 and outstanding security deposit. ATI shall pay 243 OL by certified cheque a monthly rent of \$31,875.00 plus rental taxes on the first day of each and every month commencing May 1<sup>st</sup>, 2018;
  2. the permitted use of the Premises shall continue to be only for the existing uses being made by ATI;
  3. the occupation will be on a triple net basis, and ATI will be responsible for and pay for all charges, impositions, costs and expenses of every nature and kind relating to the Premises, including, without limitation, taxes, utilities, maintenance, insurance, property insurance, repairs and all other expenses;
  4. ATI shall not assign or sublet the Premises or give up occupation of any part of the Premises without 243 OL's written consent;
  5. in the event of any default or any non-payment of rent and rental taxes or other monetary expenses, 243 OL shall be entitled to obtain possession after 15 days default without notice; and
  6. either party may terminate the tenancy upon 30 days written notice to be effective on the last day of any month.

If ATI continues to occupy the Premises after this notice, it will be on a month-to-month basis on the terms referred to in paragraphs 1 through 6 above.

2435895 Ontario Limited

  
Per; Johnny Vespa

I have authority to bind the Corporation

# NOTICE OF TERMINATION OF TENANCY

TO: **Agricultural Technology Incorporated**  
 (and any partners, sub tenants or former occupants)  
 operating as **same**

AT: **1593 County Road 34, Ruthven, Ontario**

## TAKE NOTICE THAT

### The Landlord

has this day re-entered this premises and have changed the locks as you are in Arrears of Rent due to the Landlord, **2435895 Ontario Limited** on **April 1, 2018**

## ALSO TAKE NOTICE THAT

your lease or other tenancy agreement has been terminated and the Landlord preserves the right of action against you for Rental Arrears, Accelerated Rent and all expenses incurred with respect to your default including, without limitation, all professional and legal fees. You must remove your Goods and Chattels forthwith, or else they shall be removed and stored at your further expense. You may do so by contacting the Landlord and making convenient arrangements.

**You have \_\_ business day(s) in 8 hour increments to remove your property not to include building fixtures**

**FURTHER TAKE NOTICE THAT ANYONE ENTERING THIS PREMISE WITHOUT THE CONSENT OF THE LANDLORD SHALL BE DEEMED A TRESPASSER AND DEALT WITH IN A COURT OF LAW**

Dated at **Ruthven, Ontario** this day **17** of **April** **2018**

**2435895 Ontario Limited**

per: **Reno Vespa**

---

I have authority to bind the Landlord

519-796-4177



# APPENDIX F

Receiver's Statement of Receipts and Disbursements  
As at August 13, 2018

	(\$)	(\$)	Notes
<b>Receipts</b>			
Secured creditor advance	100,000		
Receiver sales	64,847		1
Accounts receivable	30,038		
Return of retainer	9,730		2
HST on sales	2,267		
Interest	75		
<b>Total Receipts</b>		206,957	
<b>Disbursements</b>			
Storm water action plan	-	48,775	3
Wages	-	40,370	4
Professional fees	-	24,551	5
Utilities	-	15,346	
HST	-	11,751	
Miscellaneous and advertising	-	7,762	
Insurance	-	3,791	6
Repairs and maintenance	-	1,932	
<b>Total Disbursements</b>		- 154,279	
<b>Excess Receipts over Disbursements</b>		52,678	
<b>Represented by Bank Balance at August 13, 2018</b>		52,678	

1) Total material sales by the Receiver amount to \$90,084 with \$25,600 still to be collected.

2) Return of a retainer paid to a private investigator to investigate activity of various government bodies that ATI was considering filing a legal claim against.

3) As discussed in the First Report the Receiver has paid \$48,775 to date to drain some of the water held in the Lagoon.

4) The Receiver engaged four members of the Posthumous family to monitor and manage the Leachate Pad and Lagoon, ship material inventory, assist with accounting and the sales process and conduct any required maintenance at the 329 Property. As at July 30, 2018 this has been reduced to two members of the family.

5) The Receiver paid \$15,000 to ATI's former environmental legal counsel to assist with the MOE Environmental Review Tribunal hearing discussed in the First Report. The Receiver has paid a deposit of \$9,000 to ATI's former accountant to finalize the 2017 financial statements and file a final tax return.

6) In addition to the insurance expense noted above that was paid to Firstbrook Cassie and Anderson, the Receiver owes \$22,000 to ATI's former insurer for premiums due from the date of receivership to July 31, 2018 when the policy expired.

# APPENDIX G

Court File No. CV-18-595565-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

BANK OF MONTREAL

Plaintiff

and

ARRRC INTERNATIONAL INC.,  
AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 Ontario Inc.

Defendants


**AFFIDAVIT OF ROB SMITH**  
(Sworn August 16 2018)

I, Rob Smith, of the city of London, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and Licensed Insolvency Trustee at MNP Ltd. ("MNP") and, as such, I have knowledge of the matters to which I hereinafter depose.
2. MNP was appointed as receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of ARRC International Inc., Agriculture Technology Incorporated, 2265469 Ontario Inc., 2292760 Ontario Inc. and 2517748 Ontario Inc. by the Ontario Superior Court of Justice on April 18, 2018.
3. The Receiver has prepared a Statement of Account in connection with its appointment as Receiver, detailing its services rendered and disbursements, namely:
  - (a) an account dated August 15, 2018 for the period from April 9 to July 31, 2018. Attached hereto and marked as Exhibit "A" to this my Affidavit, is a copy of the Statement of Account. The average hourly rate is \$312.98.

4. To the best of my knowledge the rates charged by MNP in connection with the within matter are comparable to the rates charges by other insolvency professionals in the Southwestern Ontario market for the provision of similar services.

5. This Affidavit is made in support of a motion to, inter alia, approve the fees and disbursements of the Receiver.

SWORN before me at the City of )  
London, in the Province of Ontario )  
This 16<sup>th</sup> day of August 2018. )  
)  
)  
  
A Commissioner, etc. )

  
\_\_\_\_\_  
**Rob Smith**

Anne Patricia Nelligan, a Commissioner, etc.,  
Province of Ontario, for MNP Limited.  
Expires February 7, 2020.

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ROB SMITH

Sworn before me

This 16<sup>th</sup> day of August, 2018

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

Commissioner for taking Affidavits, etc

Anne Patricia Nelligan, a Commissioner, etc.,  
Province of Ontario, for MNP Limited.  
Expires February 7, 2020.

**Invoice**

Invoice Number : 0

Client Number : 0712312

Invoice Date : Aug 15 2018

Invoice Terms : Due Upon Receipt

Rob Smith  
ARRRC International Inc. & Agriculture Technology Incorporated  
MNP Ltd.  
1002-148 Fullarton Street  
London, ON N6A 5P3

**For Professional Services Rendered :**

For professional services rendered in connection with our engagement as court-appointed receiver of ARRC International, Agriculture Technology Incorporated, 2265469 Ontario Inc., 2292760 Ontario Inc., and 2517748 Ontario Inc.

<u>Name</u>	<u>Hours</u>	
Partner		
Rob Smith	80.6	
Jason Burgess (Corporate Finance)	39.2	
Senior Manager		
Brendan Hinton	276.0	
John Athanasiou	1.8	
Associate		
Dania Hasan (Corporate Finance)	91.0	
Administrative	55.5	
<b>Total professional fees</b>	544.1	180,472.90
Plus Disbursements:		
Mileage	\$3,441.06	
Other (searches, courier, operating costs)	<u>\$1,264.51</u>	
<b>Total Disbursements</b>		4,705.57
Less: Discretionary Discount		-10,178.47
<b>Sub Total :</b>		<u>175,000.00</u>
<b>Harmonized Sales Tax :</b>		<u>22,750.00</u>
<b>Total (CDN) :</b>		<u>197,750.00</u>

Continued on page 2..

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

Licensed Insolvency Trustees  
148 FULLARTON STREET, SUITE 1002; LONDON ON; N6A 5P3  
P: 310-3328 F: (519) 964-2210 www.MNP.ca

# Invoice



Invoice Number : 0

Client Number : 0712312

Invoice Date : Aug 15 2018

Invoice Terms : Due Upon Receipt

---

Rob Smith  
ARRRC International Inc. & Agriculture Technology Incorporated  
MNP Ltd.  
1002-148 Fullarton Street  
London, ON N6A 5P3

...Continued from page 1

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

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

Licensed Insolvency Trustees  
148 FULLARTON STREET, SUITE 1002; LONDON ON; N6A 5P3  
P: 310-3328 F: (519) 964-2210 [www.MNP.ca](http://www.MNP.ca)



Agriculture Technology Inc. (et al) WIP Report  
to July 31, 2018

Date	Description	Units	Amount	Notes
30-Apr-2018	Anne Nelligan	.50	50.00	banking plus file set up
02-May-2018	Anne Nelligan	.20	20.00	process NSF chq
02-May-2018	Anne Nelligan	.30	30.00	deposit cheques
03-May-2018	Anne Nelligan	.20	20.00	process NSF chqs
03-May-2018	Anne Nelligan	.40	40.00	prepare mailing affidavits
08-May-2018	Anne Nelligan	.20	20.00	prepare and post cheques
08-May-2018	Anne Nelligan	.20	20.00	prepare and post cheques
10-May-2018	Anne Nelligan	.30	30.00	prepare and post cheques
17-May-2018	Anne Nelligan	.20	20.00	prepare and post cheques
23-May-2018	Anne Nelligan	.20	27.80	prepare and post cheques
25-May-2018	Anne Nelligan	.50	69.50	prepare and post cheques
25-May-2018	Anne Nelligan	.20	27.80	prepare and post cheques
05-Jun-2018	Anne Nelligan	.20	20.60	prepare and post cheques
13-Jun-2018	Anne Nelligan	.20	20.60	prepare and post cheques
18-Jun-2018	Anne Nelligan	.30	30.90	prepare and post cheques
27-Jun-2018	Anne Nelligan	.20	20.60	prepare and post cheques
05-Jun-2018	Anne Nelligan	.20	28.40	prepare and post cheques
06-Jun-2018	Anne Nelligan	.10	14.20	bank reconciliation
20-Jun-2018	Anne Nelligan	.20	28.40	banking
20-Jun-2018	Anne Nelligan	.10	14.20	prepare and post cheques
26-Jun-2018	Anne Nelligan	.20	28.40	posting wire
12-Jul-2018	Anne Nelligan	.20	20.60	prepare and post cheques
18-Jul-2018	Anne Nelligan	.30	30.90	prepare and post cheques
23-Jul-2018	Anne Nelligan	.20	20.60	prepare and post cheques
25-Jul-2018	Anne Nelligan	.20	20.60	prepare and post cheques
31-Jul-2018	Anne Nelligan	.20	20.60	prepare and post cheques
18-Jul-2018	Anne Nelligan	.20	28.40	banking
26-Jul-2018	Anne Nelligan	.20	28.40	banking
		6.60	751.50	
09-Apr-2018	Brendan Hinton	1.00	345.00	Review and summarize Katchen appraisal.
11-Apr-2018	Brendan Hinton	5.00	1,725.00	Attend in Ruthven to meet with management. Extensive discussion and notes. Prepare information request.
12-Apr-2018	Brendan Hinton	2.00	690.00	Finalize information request, cash flow forecast and conference call with BMO.
16-Apr-2018	Brendan Hinton	2.00	690.00	Prepare possession package and checklists.
17-Apr-2018	Brendan Hinton	3.00	1,035.00	Prepare/edit taking possession package and information request. Prepare for appointment in AM. Review case notes and conference call.
18-Apr-2018	Brendan Hinton	8.00	2,760.00	Attend premise and take possession. Coordinate with locksmiths, security and IT. Photograph facility and contents. Secure premise and vehicles. Address and plan administration. Deal with management queries. File notes.

19-Apr-2018	Brendan Hinton	9.00	3,105.00	Attend premise to oversee operation. Deal with creditor and management queries. File planning. Address insurance, utilities and general possession matters. Extensive planning regarding MOE issues. Document status at time of possession. Extensive communication with third party IT provider to gain access to Company records. Begin to gather financial and Company information. Attend secondary facility at 1593 City 34, Kingsville to inspect and take pictures of inventory/equipment.
20-Apr-2018	Brendan Hinton	4.00	1,380.00	File planning. Calls with insurer and lessors. Communication with creditors. Address preliminary possession matters including insurance and utilities. Communication to set up new services/providers. Amendment to information request, cash flow and budgets.
23-Apr-2018	Brendan Hinton	8.00	2,760.00	Attend premise in AM to continue executing possession matters. Meet with MOE in AM and extensive discussions and planning. Attend City Recycle facility in PM to inspect premise and contents. Take photographs. Attend water treatment testing facility. Meet with management and plan week and tasks. Begin to gather information including financial and Company, Communication with insurer and utility providers. Communication with creditors and Lessor.
24-Apr-2018	Brendan Hinton	7.50	2,587.50	Continue to gather company information and financial. Meet with management and address queries/planning. Draft term and task letters. Draft various response to creditor/lessor queries. Meet with Posthumus family to delegate tasks. Deal with pond and potential breaching risk. Contact third party environmental assessors. Begin compiling materials for sales process. Amendments to budget and cash flow forecast. Inspect ponds hourly and take photographs and video of ponds to document impact of local area rainfall.
25-Apr-2018	Brendan Hinton	5.00	1,725.00	Attend company. Deal with MOE issue and edits to file memo. Communication with various third parties to implement plan to mitigate risk of pond breach. Travel to Windsor to drop off pond samples. Inspect ponds routinely throughout day. Address stakeholders/creditor's queries. Communication with Counsel. Deal with lessor claim. Investigate landlord issues. Review books and records and financial information.
26-Apr-2018	Brendan Hinton	5.00	1,725.00	Continue to complete and address possession matters. Communication with CRA. Draft written communication. F/u with utility providers. Begin compiling information for CF and sales process. Work with management on equipment/inventory list. Extensive discussions re: planning and potential sales process obstacles. Continue to address and make arrangements to deal with pad leachate. Travel to and from Windsor to drop off water test results. Communication with lessors. Make inquiries into status of leased premises. Address management queries. Communication internally and file memo. Inspect ponds routinely and take photos and video.
27-Apr-2018	Brendan Hinton	5.00	1,725.00	Meet with management and plan tasks. Continue to execute possession matters. F/u and address MOE issue. Draft various correspondence to landlords, property claimants and creditors. Continue to review books and records. Begin compiling information for CF team. Work with management to narrow scope. Work with management on equipment and inventory list. Deal with term and task matters. Communication with CRA. Discussions with former personnel. Communication internally to plan and file memos. Address MOE issue and organize service providers to deal with risk.
30-Apr-2018	Brendan Hinton	5.00	1,725.00	Operations planning and information gathering. Work with management to oversee sales orders. Communication with R. Smith re: planning. Unannounced MOE inspection and extensive discussion. Prepare file notes. Communication with CRA. Deal with creditor calls. Deal with lessor inquiries. Continue to compile information for CF team re: sales process. Discussions with various service providers to organize action plan to deal with ponds. Edits to cost analysis and extensive file memo. Extensive discussions with management re: employees. F/u on insurance and utility matters.

01-May-2018	Brendan Hinton	4.00	1,380.00	Deal with pad and pond issue. Communication with various parties to organize plan to deal with risk of breach. Amend file notes and cost analysis. Communication with lessors. Continue to compile information for CF team. Review and edits to equipment schedule. Review and edit materials for appraiser. Communication with management throughout day. Deal with creditor calls and f/u. Attend to possession matters. Begin drafting lessor summary schedule and equity analysis. Internal discussion for planning.
02-May-2018	Brendan Hinton	6.50	2,242.50	Deal with leachate lagoon issues. Communication with various third party service providers to orchestrate application of materials in accordance with NASM plan. Edits to extensive file memo. Communication with landlords. Discussion with various lessor and creditors. Compile financial info for sale process.
03-May-2018	Brendan Hinton	5.50	1,897.50	Deal with leachate lagoon issues. Communication with various third party service providers to orchestrate application of materials in accordance with NASM plan. Edits to extensive file memo. Communication with landlords. Discussion with various lessor and creditors. Communication with utility providers. Internal strategic / and planning discussions with team.
04-May-2018	Brendan Hinton	4.00	1,380.00	Continue working on NASM plan. Communication with CRA. Discussions internally to plan and strategize sale. Compile AR information for demands.
07-May-2018	Brendan Hinton	6.50	2,242.50	Continue working on NASM plan. Meet with management re update on operations. Communication with counsel for landlord. Compile financial and operation information for sales process. Internal strategic / and planning discussions with team.
08-May-2018	Brendan Hinton	5.20	1,794.00	Leachate pond. Continue gathering information for sales material. Communication with insurer. F/u on stop payments and demands. Communication with multiple creditors. Compile information for employee claims and WEPP.
09-May-2018	Brendan Hinton	3.00	1,035.00	Meet with MOE and communication Edits to file memo. Communication with customers. Discussions with IT service provider to obtain access to company records.
10-May-2018	Brendan Hinton	5.00	1,725.00	Compile information and documentation for insurer. Review and finalize equipment lists. Communication with appraiser. Compile financial information for BMO and corporate finance. Review AR and amendments to Aged report for BMO. Meet with R. Smith to discuss update and reporting to BMO. Communication with counsel for the landlords in Windsor and Kingsville. Communicate with Bolton Smith to rectify IT issues.
14-May-2018	Brendan Hinton	5.50	1,897.50	Deal with leachate lagoon issues. Communication with landlords. Discussion with various lessor and creditors. Communication with utility providers.
15-May-2018	Brendan Hinton	5.00	1,725.00	Compile information and documentation to support employee termination amounts. Prepare info for J. Naus for WEPP mailout. Compile financial and operational information for J. Burgess.
16-May-2018	Brendan Hinton	5.50	1,897.50	Compile financial information for CIM. Discussions with Intuit. Draft communication to counsel for landlord. Deal with leachate issue and pump out of lagoons. Coordinate further contingency plan due to forecasted precipitation. Contact frac tank suppliers. Discuss strategy Internally. Update cash flow with sales results. Communication with creditors. Discussion with appraiser. Review lease analysis and summary.
17-May-2018	Brendan Hinton	5.00	1,725.00	Review financials and Company provided information for CIM. Address management's queries throughout day. F/u on J. Burgess queries. Deal with Cancover property claim. Communication regarding AR and reconciliation exercise. Compile information for WEPP. Begin draft Receiver's First Report. Communication with MOE and deal with NASM plan and development. Communication with third party suppliers. Review and post Receiver's sales.
18-May-2018	Brendan Hinton	3.50	1,207.50	Ongoing lagoon issues. Communicate with site manager and organize plan in accordance with NASM. Review and mark up draft CIM. F/u and address equipment issues and correspondence with service providers, Discussions with Company management throughout day.

22-May-2018	Brendan Hinton	5.50	1,897.50	Begin draft of receiver's first report. Review various materials, including motion records. Company financials and PPSE/Corporate profile searches. Deal with creditor/supplier calls. Continue to organize execution of NASM material plan.
23-May-2018	Brendan Hinton	6.00	2,070.00	Draft Receiver's report. Communication with MOE. Discussions with management. Address QuickBooks issues. Address additional Company information for City Recycle. Communication with appraiser and organize visit. Deal with utility matters. Deal with lagoon and NSAM plan development. Operations discuss and reconcile sales
24-May-2018	Brendan Hinton	4.00	1,380.00	Attend Premise in AM to meet with management and evaluate status of operations. Inspect pond and deal with organizing NASM plan. Extensive discussion with management to be brought up to speed on sales and other matters. Address creditor calls and Property claims. Travel to 1193 City Rd..34 (AR3C) and meet with landlord to inspect premises. F/u and evaluate validity of storage lien claim and status.
25-May-2018	Brendan Hinton	1.00	345.00	Deal with Lagoon and NASM plan. Review draft court report. F/u on insurance inquiry .
28-May-2018	Brendan Hinton	3.00	1,035.00	Call with MOE and extensive discussions surrounding Environmental Compliance Approval. Prepare file note. Communication with appraiser and update leased equipment schedule/analysis. Discussions with management to plan/address sales and operations. Overview of application procedure and communicate with third party vendors. Discussion with CRA. F/u and address landlord queries. Contact secured/lessors for updated payout figures. Update on insurance and organize new coverage.
29-May-2018	Brendan Hinton	4.50	1,552.50	Call with Intuit to regain access to company's QuickBooks financials. F/u and address management queries. Operational planning. Coordinate reconciliation of leased equipment and identify property subject to National Leasing claim. Review and assess validity of Jack Smith Fuel property claim and coordinate pick up of property. Review sales and disbursements in preparation of meet in AM. Update cash flow. Update AR. Field calls from creditors.
30-May-2018	Brendan Hinton	5.50	1,897.50	Meet with Bank representatives at ATI. Meet with management in AM for update on operations/sales. Discuss immediate issues and planning for balance of week. Update cash flow and prepare for meeting. Discussions on status of property/operations and sales strategy. Debrief with R. Smith.
31-May-2018	Brendan Hinton	4.00	1,380.00	Discussion with farmer and NASM application for update. Address banking/cheque processing. Review appraisal. Update leased equipment schedule/analysis. Reconcile equipment to values and calculate net equity/loss position. Discussion with Infinity Assets. Review company information to reconcile equipment on hand vs. inspected. Communicate with lessors and management re: inspection. F/u on NASM developer's cost. Assess cash in/outflow and milestones. F/u on billing/invoicing and QB access.
04-Jun-2018	Brendan Hinton	4.50	1,575.00	Deal with sales solicitation process materials and edits. Deal with property claims. Discussions with appraiser for update on appraisal. Reconcile equipment and leased asset schedules. Discussions with management regarding limited operations. Deal with creditor and employee calls. Review QuickBooks and compile/consolidate further financial information for CIM. Discussions with customer. F/u on security position. Deal with landlord/bin issue at 1513 County Rd. 34.
05-Jun-2018	Brendan Hinton	4.00	1,400.00	Deal with sales solicitation process materials and edits. Draft leased/owned asset schedule. Prepare notes for CF team. Communication and discussions with solar lease company and file note. Deal with banking matters. Communication on insurance. Discussions with management relative to limited operations and sales. Extensive communication to MOE and update to address queries. F/u on Tecumseh property lease and status as ECA approve 1 facility.

06-Jun-2018	Brendan Hinton	4.00	1,400.00	Compile information for Bank request. Review files and deliver photos, Amend lessor schedule for Bank review. Perform reconciliation and update fields as per Bank's request. Communication with management on leased equipment and location. Deal with receiver's sales and invoicing. Prepare ticket reconciliation and communication with customers. Communication with lessors.
07-Jun-2018	Brendan Hinton	6.00	2,100.00	Communication with insurer to address renewal. Deal with QuickBooks registration. Generate City Financial reports for CIM. Review and edits to sales solicitation process materials. Communication with management to deal with operational matters. Review receiver sales reconciliation and amendments to invoicing. Meet with J. Naus re status of WEPP. Address solicitor queries with lessors. Extensive equipment reconciliation exercise to compile information for CIM schedules. Demands to customers.
08-Jun-2018	Brendan Hinton	.80	280.00	Deal with management calls and operational issues.
11-Jun-2018	Brendan Hinton	5.50	1,925.00	Draft final edits to CIM, form of offer, terms/conditions and invitation for proposals. Spend extensive amount of time on draft re: drafting equipment schedules and amendments/wordsmithing CIM. Reconcile equipment schedules to appraisals and communication with management to obtain clarification. Draft communication to ESA. Discussions with R. Smith and strategy and continue to develop interested buyers list.
12-Jun-2018	Brendan Hinton	3.50	1,225.00	Communication with insurers to organize renewal terms. Communication with Globe, Insolvency Insider and Greenhouse Canada to organize sales solicitation process advertisement. Deal with management queries. F/u with management to reconcile CIM equipment schedules. Edits to CIM. Deal with third party vendor calls. Begin invoicing and reconciling receiver's sales.
13-Jun-2018	Brendan Hinton	4.00	1,400.00	Extensive review and edits to CIM. Communication and organize advertisements. Communication with lessors. Deal with insurance renewal.
14-Jun-2018	Brendan Hinton	1.00	350.00	Deal with sale matters and equipment reconciliations. Communication with management re: equipment. Organize return of bins. Discussions with lessors. F/u on insurance and obtaining alternate coverage.
15-Jun-2018	Brendan Hinton	1.00	350.00	Communication with management re: equipment. F/u and address insurance matters. Communication with customer re: status of post-filing sales. Review banking matters. Deal with sale advertising.
18-Jun-2018	Brendan Hinton	4.50	1,575.00	Draft edits to Receiver's First Court Report and Supplemental. Make redactions to CIM for Court report. Deal with sales solicitation process and communication with interested parties. Communication and organize site visits. Communication with local logistics companies to organize repatriation of waste bins. Communication with management re: update on operations and site visits. F/u and address receiver sales and billing. Address banking. Draft edits and deal with advertising with J. Naus. F/u and address insurance and communication with broker and insurer.
19-Jun-2018	Brendan Hinton	5.50	1,925.00	Deal with landlord and communication on waste bins. Communication with prospective purchasers. Communication and coordinate logistics for bin removal. Contact several area contractors. Compile appendices for CIM. Communication with CF with updates and amendments. Draft edits to amended Court Report and finalize.
20-Jun-2018	Brendan Hinton	5.50	1,925.00	Meet with prospective purchaser and provide tour of facility. Deal with operations. Update sales information and cash flow. Discussions with management re: sales process and address queries. Attend to repatriating waste bins to Premise. Meet with logistics/transportation company to inspect bins. Meet with landlord. Discuss storage lien. Draft email demand and follow up. Deal with creditor calls. F/u on prospective purchaser queries.

21-Jun-2018	Brendan Hinton	3.50	1,225.00	Deal with banking matters. Perform Receiver's sale reconciliation exercise for collection purposes, direction to J. Naus re invoicing. Communication with insurer re: status of quote. Review communication from counsel for landlord of 1153 Tecumseh. Provide summary and draft update to R. Smith. Deal with management queries. Deal with prospective purchasers and sales process. Prepare file and address admin matters before vacation departure.
25-Jun-2018	Brendan Hinton	1.00	350.00	Communication on insurance and coordinate new coverage. Prepare applications. Discussion with prospective purchasers.
26-Jun-2018	Brendan Hinton	2.00	700.00	F/u and address creditor queries. Discussion with prospective purchasers. F/u and address management queries and water management. Communication with CF group.
29-Jun-2018	Brendan Hinton	1.00	350.00	Deal with insurance and binding requirements. Prepare vehicle schedule for insurer's review. Communication with prospective purchasers and coordinate site visits.
03-Jul-2018	Brendan Hinton	2.00	700.00	Communication and coordinate inspection dates with prospective purchasers. Communication with service providers and creditors. Update R&D.
09-Jul-2018	Brendan Hinton	4.50	1,575.00	Attend premises to meet with prospective purchasers. Deal with prospective purchase queries. F/u and address CF team queries. Deal with WEPP call. Deal with insurance.
10-Jul-2018	Brendan Hinton	4.50	1,575.00	Review Receiver sales and perform reconciliation exercise. Review banking. Draft communication/demand to Grodan. Deal with banking matters. Communication with prospective purchasers and coordinate meetings at facility. Communication and discussions with Metrix re: appraisal. Draft response to MOE re: pond. Discussions with management and planning.
11-Jul-2018	Brendan Hinton	2.50	875.00	Communication with CRA. Deal with property insurance. Communication on appraisal. F/u and address WEPP queries. Communicate with prospective purchasers. Coordinate site meetings. Deal with management queries. Deal with banking matters.
12-Jul-2018	Brendan Hinton	5.00	1,750.00	Attend premises to meet with prospective purchasers. Deal with banking matters in AM. Draft update for R. Smith.
17-Jul-2018	Brendan Hinton	2.00	700.00	Review real property appraisal and comments for R. Smith. F/u with Metrix. Communication with management. Discussions/communication with prospective purchaser. Conference call with prospective purchasers. Deal with banking matters. F/u and deal with insurance. Address CRA queries and requirements/request for company information.
18-Jul-2018	Brendan Hinton	6.50	2,275.00	Attend premises to meet with TerraPure and MLC Equipment. Extensive discussions with both prospective purchasing groups. Regroup with management and discussions.
23-Jul-2018	Brendan Hinton	2.00	700.00	Communication on Receiver sales re: plastic. Look at banking and review cash. Communication with CF team. Communication with prospective purchasers. Communication with management. F/u on vendor matters. Return calls from creditors. F/u on insurance. Begin banking review.
30-Jul-2018	Brendan Hinton	2.00	700.00	Review email communication and correspondence from offers in AM. Assess offer and ease payout. Communication with vendors. Deal with banking. Reconcile plastic sales.
16-Jul-2018	Brendan Hinton	4.00	1,400.00	Deal with banking matters. Perform reconciliation of receiver's sales for collection effort. Communication with customers. Deal with sales process and communication with prospective purchasers. Communication with ATI management re: inventory liquidation and sale process. Deal with property claim and communication with claimant. F/u on insurance matters.
19-Jul-2018	Brendan Hinton	3.50	1,225.00	Complete insurance survey for property and communication with FCA to bind alternate coverage. F/u and address queries. Communication with counsel for Tecumseh property. Discussion/planning re: waste bins. F/u and address WEPP queries. Deal with banking and sales reconciliation/tax components.

20-Jul-2018	Brendan Hinton	1.50	525.00	Address CF and R. Smith queries. Review CIM and prospective purchaser schedules and provide comment and clarification. Communication with prospective purchasers.
24-Jul-2018	Brendan Hinton	2.80	980.00	Communication with prospective purchasers. Consider Gradan queries and provide extensive response. Draft reply to email query. Answer queries and extensive discussion with Maricann. Deal with insurance and prepare analysis to support decision to bind with FCA.
25-Jul-2018	Brendan Hinton	2.50	875.00	Communication with management to satisfy information request. Discussions re: MT legal query on bond/hydro assignment. Draft communication to MOE re: bond held by MOE and response. Communication with prospective purchasers. F/u on insurance and prepare change form.
26-Jul-2018	Brendan Hinton	1.70	595.00	Deal with prospective purchaser queries. Discussions with management. Review liquidation proposals. Discussions with management re: pond. Internal discussions and planning. Confirm insurance coverage.
31-Jul-2018	Brendan Hinton	4.50	1,575.00	Internal discussion regarding offers received and strategy. Communication with multiple interested parties to advise of deadline extension. Review and assess impact on lessor claims. Begin coordinate NASM material application. Contact area contractors and NASM plan developer.
		276.00	95,764.00	
11-May-2018	Dania Hasan	5.00	1,210.00	read all material provided, pricing analysis, research on company, etc
14-May-2018	Dania Hasan	4.00	968.00	continue material review and begin CIM preparation
15-May-2018	Dania Hasan	9.00	2,178.00	CIM preparation
16-May-2018	Dania Hasan	2.50	605.00	request list, run customer sales concentration analysis, emails, update CIM
17-May-2018	Dania Hasan	1.00	242.00	continue working on CIM and sales material
23-May-2018	Dania Hasan	1.00	242.00	continue working on CIM and sales material
24-May-2018	Dania Hasan	3.00	726.00	continue working on CIM and sales material
01-Jun-2018	Dania Hasan	1.50	372.00	updated CIM
04-Jun-2018	Dania Hasan	1.00	248.00	Updated CIM, prepared teaser
06-Jun-2018	Dania Hasan	1.00	248.00	finalize CIM and Teaser
18-Jun-2018	Dania Hasan	7.00	1,736.00	brief weekly update chat, sent out emails on buyers list, started calling prospects
06-Jun-2018	Dania Hasan	1.00	248.00	updated financials for city recycle and inputted into CIM
07-Jun-2018	Dania Hasan	3.50	868.00	updated lease equipment schedules and inputted them into CIM, revised the CIM for other sections
07-Jun-2018	Dania Hasan	3.00	744.00	begin the prospect / buyers list
08-Jun-2018	Dania Hasan	6.00	1,488.00	added European prospects and other us and Canadian prospects to buyers list
11-Jun-2018	Dania Hasan	5.00	1,240.00	revised buyers list, put in contact info
12-Jun-2018	Dania Hasan	3.00	744.00	Set up data room Firmex, upload documents, began marketing to prospects
13-Jun-2018	Dania Hasan	4.00	992.00	marketing to prospects and emailing teasers, last minute changes to CIM and buyers list
14-Jun-2018	Dania Hasan	5.00	1,240.00	marketing to prospects
15-Jun-2018	Dania Hasan	5.00	1,240.00	marketing to prospects and emailing teasers
19-Jun-2018	Dania Hasan	5.50	1,364.00	marketing to prospects and emails
20-Jun-2018	Dania Hasan	2.50	620.00	correspondence with prospects, emailed out CIMs, added prospects to Firmex
21-Jun-2018	Dania Hasan	3.00	744.00	dealing with prospects, emailing out CIMs, follow ups
22-Jun-2018	Dania Hasan	2.00	496.00	dealing with prospective buyers
05-Jul-2018	Dania Hasan	1.50	372.00	contacted companies with CIMs, sent NDA and follow up emails
06-Jul-2018	Dania Hasan	.50	124.00	updated ATI tracker
09-Jul-2018	Dania Hasan	1.00	248.00	weekly update call, emails and calls to prospects
10-Jul-2018	Dania Hasan	.50	124.00	follow up calls to prospects

11-Jul-2018	Dania Hasan	.50	124.00	sent teasers, access to dataroom, etc
23-Jul-2018	Dania Hasan	2.00	496.00	added all companies to data room, sent out email reminders and phone calls to all con panies on tracker list regarding the bid / offer date
24-Jul-2018	Dania Hasan	.50	124.00	emails
		91.00	22,415.00	
25-Apr-2018	Jason Burgess	3.50	1,557.50	Attend in Ruthven Ontario 7 hours of travel time however only booked 6. Tour of facil ty and discussions.
26-Apr-2018	Jason Burgess	1.00	350.00	Strategic Buyer list development
30-Apr-2018	Jason Burgess	1.20	420.00	Discussion with Walkers Environmental President. Discussion with Clean Farm Canada further development of strategic list.
08-May-2018	Jason Burgess	2.00	890.00	Review financial information
10-May-2018	Jason Burgess	4.00	1,780.00	Review material, develop CIM outline. Look at related party transactions.
11-May-2018	Jason Burgess	1.00	445.00	Transfer information to Dania for CIM development.
16-May-2018	Jason Burgess	3.00	1,335.00	Review of material and CIM
17-May-2018	Jason Burgess	1.50	667.50	CIM prep
22-May-2018	Jason Burgess	1.50	667.50	CIM prep
24-May-2018	Jason Burgess	3.00	1,335.00	Review of CIM, changes, edits
28-May-2018	Jason Burgess	3.50	1,557.50	Attend ATI to meet M. Posthumus to review and finalize CIM
01-Jun-2018	Jason Burgess	1.00	455.00	Review changes redraft investment highlights
07-Jun-2018	Jason Burgess	1.00	455.00	Expansion of target list
12-Jun-2018	Jason Burgess	2.00	910.00	CIM distribution, email to Dania, conversation with Rob Smith.
15-Jun-2018	Jason Burgess	2.00	910.00	Response to items from Partners and targets, response to Dania.
18-Jun-2018	Jason Burgess	2.50	1,137.50	Make calls, status updates, field questions.
19-Jun-2018	Jason Burgess	1.50	682.50	Distribution of CIM - respond to questions, review status
21-Jun-2018	Jason Burgess	1.00	455.00	Phone calls to list
25-Jun-2018	Jason Burgess	.50	227.50	Respond to questions, make phone calls.
26-Jun-2018	Jason Burgess	1.00	455.00	Outbound calls, co-ordination. Respond to questions, Review NDA change requests.
27-Jun-2018	Jason Burgess	.50	227.50	Discussions
05-Jul-2018	Jason Burgess	1.00	455.00	Review, discussions with Anita. contact buyers with CIM.
		39.20	17,375.00	
18-Apr-2018	Jen Naus	.10	13.90	Request for Bank account, file court order and endorsement
24-Apr-2018	Jen Naus	.20	27.80	Redraft banking letter of direction.
26-Apr-2018	Jen Naus	.50	69.50	Calls with BMO, 404 Addendum & Revise LOD
30-Apr-2018	Jen Naus	.40	55.60	Fax CRA, follow up with BMO re new account. send original docs;
02-May-2018	Jen Naus	.50	69.50	Chq Reqs for Locksmith & IT; BMO returned item; Mail payments
10-May-2018	Jen Naus	2.00	278.00	Chq reqs for Posthumus consulting x3; AR summary, Create AR demand Letters;
15-May-2018	Jen Naus	.20	27.80	Talk with Brendan about our WEPP tasks and plan.
16-May-2018	Jen Naus	.40	55.60	Mail Merge for AR letters.
17-May-2018	Jen Naus	2.00	278.00	Send out AR demands and statements; Chq Req for Lab; send payment; review Employe Data with Brendan to prepare WEPP Calcs
22-May-2018	Jen Naus	.40	55.60	Complete Calculations for WEPP



23-May-2018	Jen Naus	2.50	347.50	Enter employee WEPP calcs and questionnaires with Service Canada; follow up calls and emails to OSB re estate number; Che Reqs for The Posthumus' consulting fees
28-May-2018	Jen Naus	4.00	556.00	A/P- utilities; follow up re billing dates and security deposits Hydro One & Union Gas, review & update cashflow spreadsheet; employee WEPP notices and questionnaires
29-May-2018	Jen Naus	6.60	917.40	Mail merge, print all docs for WEPP Mailing; affidavits; create POCs for all Companies, mailing; call from Hydro One manager re deposit;
30-May-2018	Jen Naus	.40	55.60	Scan and file affidavits and organize WEPP folders, Call from Siipa at Hydro One. Chq Req for utilities
31-May-2018	Jen Naus	.40	55.60	AR follow up emails to One floral. Chq Req; follow up QuickBooks re access;
05-Jun-2018	Jen Naus	1.30	184.60	Follow up union gas accounts; follow up quick books ; chq req Collins Barrow fees;
07-Jun-2018	Jen Naus	1.00	142.00	quick book invoices for 2628573 Ont Inc., Review tickets with Brendan
12-Jun-2018	Jen Naus	2.40	340.80	AR- Create invoices for Gro-bark; adjust invoices based on ship details; print invoices to folder for Brendan; Employee calls re POC & WEPP; Chq Req for BolotonSmith
13-Jun-2018	Jen Naus	1.00	142.00	adjust invoices to Gro-Bark as per Brendan; Reconcile AR summary; calls from Creditor's legal counsel;
14-Jun-2018	Jen Naus	2.10	298.20	Input Employee claims and update WEPP; resend AR demand to 9186-2029 Quebec Inc new address; File all Leases Agreements as per Brendan; Reconcile AR summary
18-Jun-2018	Jen Naus	3.40	482.80	Chq Req for utilities & Consulting; follow up on banking info for Wire transfer; create the packages for eblast & On line ad.
19-Jun-2018	Jen Naus	.40	56.80	Follow up with AD; follow up call to hydro one;
20-Jun-2018	Jen Naus	1.50	213.00	Edit & Approve eblast; follow up with BMO re wire; follow up BMO re returned Items; Bank Rec; chq Req for utilities; follow up call with Hydro one for adjustments to invoices;
21-Jun-2018	Jen Naus	3.20	454.40	Follow up on banking adjustments with BMO; Input Employee claims; update WEPP; AR invoices
25-Jun-2018	Jen Naus	1.30	184.60	Follow up with BMO re wire; Create & mail invoices for Dahiher Topsoil; Chq Req for Green House Ads; Employee call re WEPP & POC
26-Jun-2018	Jen Naus	.20	28.40	Employee call re POC; add back up to Bank Rec
10-Jul-2018	Jen Naus	.10	14.20	Follow up on Gro-Bark invoices for Brendan
11-Jul-2018	Jen Naus	1.30	184.60	Call from employee Paul Levesque; mail out WEPP docs; Chq Reqs
12-Jul-2018	Jen Naus	1.50	213.00	Call to Hydro one re invoices & adjustments; Create Gro-Bark and Daniher invoices. Letter to Daniher re payment details; follow up call to AP dept.; employee call re Pock
16-Jul-2018	Jen Naus	.20	28.40	Employee Call re WEPP
17-Jul-2018	Jen Naus	.50	71.00	multiple Chq reqs; follow up with utilities adjustments ; mail payments for insurance; file banking docs; file WEPP letters
18-Jul-2018	Jen Naus	.60	85.20	Revise Gro-bark invoices ; Input Employee claims, update WEPP
19-Jul-2018	Jen Naus	.50	71.00	Hydro One call to resolve utility billing errors; chq reqs; set up online banking
23-Jul-2018	Jen Naus	.20	28.40	Chq Reqs
23-Jul-2018	Jen Naus	.10	14.20	Employee email correspondence J Elias re WEPP
26-Jul-2018	Jen Naus	.50	71.00	Amend invoices and email Gro-bark
30-Jul-2018	Jen Naus	.30	42.60	Review Utility invoice; to Brendan; chq Reqs
30-Jul-2018	Jen Naus	.10	14.20	Employee call Luis Murano re City Recycle claim
31-Jul-2018	Jen Naus	.20	28.40	Bank Rec
		44.50	6,257.20	
23-Apr-2018	Jessie Hue	.20	41.60	Website posting.
14-Jun-2018	Jessie Hue	.30	63.90	Website posting.

14-Jun-2018	Jessie Hue	.20	42.60	Website update.
19-Jun-2018	Jessie Hue	.20	42.60	Website update.
		.90	190.70	
09-Apr-2018	John Athanasiou	1.80	621.00	Call with bank re file start up. Calls and correspondence with counsel re demands, court appointment and consent.
10-Apr-2018	Rob Smith	.40	178.00	engagement letter for court appointed receivership
11-Apr-2018	Rob Smith	2.50	1,112.50	initial meeting at company, plant tour, high level email to A. Hall
12-Apr-2018	Rob Smith	.70	311.50	call with BMO re initial meeting; review information request and cashflow outline; email same to company and J. Cooke
13-Apr-2018	Rob Smith	.70	311.50	update call with A. Hall and T. Van Klink; execute receiver consent
17-Apr-2018	Rob Smith	.80	356.00	prepare receivership/monitoring checklist
18-Apr-2018	Rob Smith	2.30	1,023.50	company attendance; possession; meeting with M. Posthumous re operations, cashflow, etc
19-Apr-2018	Rob Smith	3.70	1,646.50	review company records; work on weekly cashflow, send draft and update email to BMO; call with Collins Barrow re records; email to MOE
20-Apr-2018	Rob Smith	2.50	1,112.50	call with Wilms Shier re MOE issue, update email to T. Van Klink re same; begin review of odor operations plan from company; prepare list of o/s information and agenda for meeting with M. Posthumus on Monday
23-Apr-2018	Rob Smith	4.70	2,091.50	at ATI, call and meeting with MOE; call with T. Van Klink re MOE; call with Pinchin re possible engagement as environmental consultant; attend at City Recycle; attend at water test lab to discuss testing required; meeting with M. Posthumus re potential trex product, potential purchasers, beginning operations, etc; emails with MOE legal counsel; email to J. Cooke re various MOE actions
24-Apr-2018	Rob Smith	3.80	1,691.00	call from Great Lakes leasing; call with MOE re various ongoing actions; follow up call with T. Van Klink; status update call with BMO; emails with Emterra and Revital; review and discuss term and task letters with B. Hinton
25-Apr-2018	Rob Smith	4.50	2,002.50	meeting M Posthumus and J Burgess (MNP CF) at ATI to discuss marketing strategies; call with CB Essex re account arrears and option to file 2017 return; review 1593 County Road 34 lease; call with T. Van Klink re options for MOE;
26-Apr-2018	Rob Smith	2.20	979.00	email T. Van Klink re lease of 1593 County Road 34 and potential option to assign; call with G. Feldman re enviro concerns; prepare 245 notices for each company and request mail out; emails with T. Van Klink re MOE hearing; email to Wilms Shier re MOE hearing; email to M. Posthumus requesting details of March 2018 bank transfers
27-Apr-2018	Rob Smith	.60	267.00	emails with Wilms Shier re attendance on call; calls with T. Van Klink re May 2 MOE hearing, Wilms Shier, Clifford lease
30-Apr-2018	Rob Smith	1.40	623.00	call with Wilms Shier to prep for May 2 ERT call; review material re May 16 pre-trial relating to 2016 pond spill
02-May-2018	Rob Smith	1.20	534.00	review options re pumping pond; MOE ERT call re settlement; respond to J. Cooke email re WEPP; emails with Wilms Shier re account
03-May-2018	Rob Smith	.20	89.00	email correspondence with T. Van Klink re May 16 enviro pre-trial
07-May-2018	Rob Smith	.90	400.50	review Pinchin consulting proposal, email comments to B Hinton; email to BMO re pond pumping costs and call with BMO and G. Feldman to discuss same
08-May-2018	Rob Smith	1.80	801.00	review fee quote from Collins Barrow re 2017 tax returns; update from Hinton re pond pump; call with J. Burgess (MNP CF) re CIM status update and marketing strategy; email to T. Van Klink re pre-receivership payments from bank account

09-May-2018	Rob Smith	1.40	623.00	attend at ATI; meet with B. Lyle re expected asset valuation; review status of coco pile and plastic bales and pond
10-May-2018	Rob Smith	.50	222.50	email to T. Van Klink re terminated lease; review cashflow forecast; prep for BMO update
11-May-2018	Rob Smith	2.70	1,201.50	draft update for BMO; call with T. Van Klink re deposits; review appeal docs re storm water pond from T. Van Klink
14-May-2018	Rob Smith	1.80	801.00	email to J. Cooke re retainer; letter to JR Filliter re retainer; call with M. Posthumus re payments to Luke and Stephen pre-receivership; discussion with B. Hinton re pond; email from J. Cooke re cases on retainers, comments to T. Van Klink re same; call with C. Hunt
15-May-2018	Rob Smith	.20	89.00	call with M. Posthumus re pre-receivership bank transfers
16-May-2018	Rob Smith	.30	133.50	call from J. Cooke re retainer and pre-receivership deposits
17-May-2018	Rob Smith	.50	222.50	review of prelim CIM, comments to Burgess
22-May-2018	Rob Smith	1.00	445.00	call with Collins Barrow re potential contingency fee for filing 2017 T2, and HST and SD returns; weekly update email to BMO
23-May-2018	Rob Smith	.10	44.50	April bank rec
23-May-2018	Rob Smith	.80	801.00	begin review and edits to first court report
24-May-2018	Rob Smith	2.10	934.50	continue review and edits to first court report; call with A. Hall re possible option to lease greenhouse; emails to T. Van Klink re option to purchase leased premises and landlords storage lien claim
25-May-2018	Rob Smith	1.50	667.50	complete first draft of court report and email to T. Van Klink for comment; review amended MOE order, email back to Wilms Shier re ability to accept vine product in the future
28-May-2018	Rob Smith	.80	356.00	update call with BMO; call with Pete Quiring re leasing warehouse
30-May-2018	Rob Smith	2.00	890.00	@ ATI for meeting with M. Sutherland and J. Gallagher; review T. Van Klink comments on court report
05-Jun-2018	Rob Smith	2.10	955.50	brief update to BMO, call with T. Van Klink re J. Cooke retainer; review CIM, comments to Corporate finance; call with T. Van Klink re inclusion of leased assets in CIM
07-Jun-2018	Rob Smith	3.50	1,592.50	review NDA, terms and conditions of sale, form of offer, draft APS, edit all and send to T. Van Klink for comment; NDA to BMO; email to CF re CIM and prosp purchaser list; call with CF re finalizing CIM, residences, equipment list, leased assets, etc.; review Paid4power lease agreement and non-interference agreement signed by BMO, forward same to T. Van Klink for comment; call to Greenhouse Canada re ad; edits and additions to prospective purchaser list; email to BMO with intended sales process action plan
08-Jun-2018	Rob Smith	.40	182.00	email CIM to Van Klink for comments; email CIM to M. Posthumus for comment; call with A. Hall re sales strategy; review revised NDA from T Van Klink for Bank to sign
11-Jun-2018	Rob Smith	2.10	955.50	call with T. Van Klink re CIM; review European prosp purchaser list and make edits; email to CF team re change in offer deadline; additions to prosp purchaser list; call with BMO re sales strategy; email to BMO re summary of sales strategy
12-Jun-2018	Rob Smith	.80	364.00	call with BMO re strategy; email BMO final teaser; follow up email to M.. Posthumus re CIM comments; email project momentum team re approval to go forward with sales process; email Teaser and NDA to Emterra
13-Jun-2018	Rob Smith	.40	182.00	review and edit form of offer, final CIM docs to CF; email to E. Leung at Emterra with CIM and info on sales process; respond to Miller Compost email
14-Jun-2018	Rob Smith	.50	227.50	calls/emails from prosp purchasers; update from Hinton on insurance
16-Jun-2018	Rob Smith	.30	136.50	review CF activity progress; weekly update to BMO
18-Jun-2018	Rob Smith	.20	91.00	weekly update call with CF team; weekly update email to BMO; email to S. Vanroboys re site visit
19-Jun-2018	Rob Smith	1.00	455.00	provide environmental docs for website; review list of docs proposed for data room; review of final court report, gather appendices and send executed report to Miller Thomson
21-Jun-2018	Rob Smith	.30	136.50	email to landlord re release of garbage bins and storage lien

26-Jun-2018	Rob Smith	4.50	2,047.50	meeting at ATI with M. Posthumus re status of sale process, potential offers, explanation of process; meeting and site tour with RPM Eco; call to IT company re release of information stored on website
09-Jul-2018	Rob Smith	1.80	819.00	weekly update call with BMO; email to Greenscience; weekly update email to BMO; call from Hilco requesting details of sale; follow up email to R. Vespa re garbage bins; review correspondence from Miller Canfield (as counsel to Recycle City) re transfer of ECA waste management license, instruction to Hinton on response
10-Jul-2018	Rob Smith	.10	45.50	May bank rec
13-Jul-2018	Rob Smith	.50	227.50	call from M. Posthumus re discussion of sales process, lawsuits, offer, etc.
16-Jul-2018	Rob Smith	.30	136.50	weekly update email to BMO
18-Jul-2018	Rob Smith	.20	91.00	respond to Budget Environmental with Form of Offer to submit offer for bins
20-Jul-2018	Rob Smith	.80	364.00	review emails re City Recycle license; update and research on TerraEnvironmental, update email to BMO; call with R. Vespa re bins on his property and his claim to a storage lien
24-Jul-2018	Rob Smith	.30	136.50	call from M. Posthumus re expected offer, call to C. Hunt to update
25-Jul-2018	Rob Smith	.40	182.00	update call with BMO re expected offers; respond to T Van Klink email re bonds posted through Echelon insurance
26-Jul-2018	Rob Smith	2.50	1,137.50	to Toronto for court attendance re approval of first court report; emails with J. Cooke re use of retainer
27-Jul-2018	Rob Smith	3.50	1,592.50	call from TerraPure re LOI to Posthumus family and confirming sale process; call with M. Posthumus re TerraPure; review asset offers; call with Fred Hunt at LPW Energy, discuss offer submissions and send NDA/CIM; review offers; call to M. Posthumus to review his offer; call to TVK and J. Burgess to discuss offers and next steps; email to BMO to summarize offers and provide recommendations; call with C. Hunt
30-Jul-2018	Rob Smith	1.00	455.00	call with BMO to discuss offers; prepare Agenda for meeting with M. Posthumus
31-Jul-2018	Rob Smith	2.50	1,137.50	at ATI, meeting with M. Posthumus re offer, extension, operational issues; call with BMO re extension; emails to various participants of sales process re extension; email to CF team re extension; call with T. Van Klink re Posthumus offer, extension, operations going forward
		<u>80.60</u>	<u>36,612.00</u>	
27-Apr-2018	Rose Hurst	1.50	208.50	mail list, printing
30-Apr-2018	Rose Hurst	2.00	278.00	Mailout - receivership
		<u>3.50</u>	<u>486.50</u>	
	Total fees	<u>544.10</u>	<u>180,472.90</u>	

## Disbursements

11-Apr-2018	Rob Smith	146.97	Mileage: to ATI, initial meeting
18-Apr-2018	Rob Smith	146.97	Mileage: possession and M. Posthumous mtg
19-Apr-2018	Rob Smith	146.97	Mileage: review records
23-Apr-2018	Rob Smith	146.97	Mileage: to ATI, MOE, Posthumus mtg
23-Apr-2018	Rob Smith	33.56	Mileage: from ATI to Recycle City
25-Apr-2018	Rob Smith	146.97	Mileage: meet M Posthumus and J Burgess re marketing strategy
11-Apr-2018	Brendan Hinton	146.97	Mileage: London to Cottam
18-Apr-2018	Brendan Hinton	146.97	Mileage: London to Cottam
19-Apr-2018	Brendan Hinton	146.97	Mileage: London to Cottam
23-Apr-2018	Brendan Hinton	146.97	Mileage: London to Cottam
24-Apr-2018	Brendan Hinton	146.97	Mileage: London to Cottam

25-Apr-2018	Brendan Hinton	146.97	Mileage: London to Cottam
26-Apr-2018	Brendan Hinton	146.97	Mileage: London to Cottam
30-Apr-2018	Brendan Hinton	146.97	Mileage: London to Cottam
26-Apr-2018	Brendan Hinton	27.19	Mileage: Cottam to Caducean Environmental
25-Apr-2018	Jason Burgess	146.97	Mileage: Attend at Clients
30-May-2018	Rob Smith	146.97	Mileage: meeting with Sutherland and Gallagher
03-May-2018	Brendan Hinton	146.97	Mileage: London to Cottam
09-May-2018	Brendan Hinton	146.97	Mileage: London to Cottam
07-May-2018	Brendan Hinton	146.97	Mileage: London to Cottam
14-May-2018	Brendan Hinton	146.97	Mileage: London to Cottam
24-May-2018	Brendan Hinton	146.97	Mileage: London to Cottam
30-May-2018	Brendan Hinton	146.97	Mileage: London to Cottam
27-Jun-2018	Rob Smith	146.97	Mileage: to Ruthven (RPM Eco meeting)
28-May-2018	Jason Burgess	146.97	Mileage: Travel to ARRC Ruthven ON
		<u>3,441.06</u>	
22-May-2018	Misc. Disbursements	20.00	PPSA
13-Jun-2018	Misc. Disbursements	22.02	UPS- courier
03-May-2018	Misc. Disbursements	53.12	Fuel (cash disbursement reimbursed to site manager)
31-May-2018	Misc. Disbursements	752.60	Water Pump Rental (pre-paid deposit)
03-May-2018	Misc. Disbursements	16.77	Fuel for water pump
06-Jun-2018	Misc. Disbursements	360.00	Simply Accounting License Reactivation
26-Jun-2018	Misc. Disbursements	40.00	PPSA
		<u>1,264.51</u>	
	Total Disbursements	<u><u>4,705.57</u></u>	

# APPENDIX H

Court File No. CV-18-595565-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,  
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.

Respondents

APPLICATION UNDER Section 243 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.

**AFFIDAVIT OF SHERRY KETTLE**


I, Sherry Kettle, of the City of London, in the County of Middlesex, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a partner with the law firm of Miller Thomson LLP ("MT"), lawyers for MNP Ltd., in its capacity as Court-appointed Receiver (the "Receiver"), of the assets, undertakings and properties of ARRC International Inc., Agriculture Technology Incorporated, 2265469 Ontario Inc., 2292760 Ontario Inc. and 2517748 Ontario Inc. and, as such, have knowledge of the matters to which I hereinafter depose.
2. I make this Affidavit in support of the Receiver's motion for, among other things, having the fees and disbursements of MT, as legal counsel to the Receiver, approved.
3. Attached hereto to this my Affidavit and marked as Exhibit "A" is a copy of the invoice rendered by MT to MNP which reflects, *inter alia*, fees and disbursements of MT relating to the period April 10, 2018 through June 29, 2018 (the "Period"). The invoice rendered by MT and appended hereto as Exhibit "A" (the "MT Invoice") accurately reflects the services provided by MT in connection with the Period and the fees and disbursements claimed by it. During the Period, the total fees billed were \$26,272.00, the disbursements billed were

\$989.54, plus applicable taxes in the amount of \$3,523.20. Attached hereto to this my Affidavit and marked as Exhibit "B" is a statement summarizing MT's fees for the Period. Lawyers and staff at MT have collectively expended a total of 46.70 billable hours in connection with this matter as outlined in the summary of fees attached as Exhibit "B".

4. To the best of my knowledge, the rates charged by MT throughout these proceedings are comparable to the rates charged by other firms in the Southwestern Ontario market for the provision of similar services. No premiums have been charged.

SWORN before me at the City of London,  
in the County of Middlesex, Province of  
Ontario this 17th day of August, 2018

  
\_\_\_\_\_  
A Commissioner for taking affidavits.

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Sherry Kettle

**Adam David Kelner, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 12, 2020.**



Attached are Exhibits "A" and "B" to the  
Affidavit of Sherry Kettle sworn the 17th  
day of August, 2018



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*A Commissioner, Etc.*

**Adam David Keiner, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 12, 2020.**



## EXHIBIT "A"



MILLER THOMSON LLP  
 ONE LONDON PLACE  
 255 QUEENS AVENUE, SUITE 2010  
 LONDON, ON N6A 5R8  
 CANADA

T 519.931.3500  
 F 519.858.8511

MILLERTHOMSON.COM

**June 30, 2018**

Invoice Number 3206621

MNP Ltd.  
 1002-148 Fullarton Street  
 London, ON N6A 5P3

Attention: Rob Smith, Senior Vice-President

To Professional Services Rendered in connection with the following matter(s) including:

**Re: ARRC International and Agriculture Technology  
 Our File No. 0223176.0003**

Date	Initials	Description	Hours
04/10/2018	AVK	Reviewing background information	0.50
04/13/2018	AVK	Conference call with Mr. Smith and Mr. Hall	0.70
04/16/2018	AVK	E-mails regarding information and tenancy issue	0.10
04/17/2018	AVK	Reviewing Receivership Application materials	0.30
04/23/2018	AVK	Telephone call with Mr. Smith; reviewing materials relating to MOE orders and appeal	1.80
04/24/2018	AVK	Telephone call with Mr. Hall	0.20
04/24/2018	AVK	Reviewing additional documents relating to MOE issues; conference call with Mr. Smith and MOE; telephone call with Mr. Smith	1.50
04/25/2018	AVK	Reviewing materials and consideration of MOE issues; various e-mails and telephone calls regarding saeme	1.80
04/26/2018	AVK	E-mails with Mr. Feldman	0.10
04/26/2018	AVK	Telephone call with lawyer for Town of Kingsville	0.10
04/26/2018	AVK	Telephone call with MOE counsel, consideration of issues, e-mail to Mr. Smith	1.20
04/26/2018	AVK	Considering lease/option to purchase issue	0.40

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be

32560768.1 charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.

<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
04/27/2018	AVK	Telephone calls with Mr. Smith and Mr. Feldman	0.80
04/30/2018	AVK	Telephone call with Mr. Cooke	0.40
04/30/2018	AVK	Telephone call and e-mails with MOE counsel regarding MOE prosecution	0.40
05/02/2018	AVK	Attend ERT appeal hearing via conference call	0.60
05/02/2018	AVK	E-mails with Mr. Smith and Mr. Cooke	0.20
05/03/2018	AVK	Reviewing materials regarding MOE prosecution and consideration of issue relating to same; e-mails with Mr. Smith and Crown	1.30
05/03/2018	AVK	E-mails with Mr. Scott re MOE prosecution	0.10
05/11/2018	AVK	Telephone call with Mr. Smith	0.30
05/11/2018	AVK	Reviewing materials relating to SWM pond ECA appeal, e-mail to Mr. Cooke, e-mail to Mr. Smith; reviewing materials regarding preferential payments, considering issues and e-mail to Mr. Smith; consideration of issues relating to the termination of the lease and option to purchase for 1593 County Road 34, e-mail to Mr. Smith	2.50
05/14/2018	AVK	E-mails with Mr. Cooke	0.10
05/14/2018	AVK	E-mails with MOE counsel, letter to MOE counsel; e-mails regarding preference/retainer issue, review caselaw, e-mail to Mr. Cooke	1.50
05/14/2018	AVK	Telephone call with Mr. Cooke	0.20
05/15/2018	AVK	Revising correspondence to Ms. Gordon-Fagan re MOE prosecution	0.10
05/23/2018	AVK	Telephone call with Mr. Smith	0.30
05/28/2018	AVK	Reviewing draft Receiver's Report	0.30
05/29/2018	AVK	Working on revisions to draft Receiver's Report	2.80
06/05/2018	AVK	Various e-mails and responses; begin review of lease transactions; telephone call with Mr. Smith	2.00
06/05/2018	AVK	Review e-mail from Anchor Doors and respond to same	0.10
06/06/2018	AVK	Reviewing lease and security documents	1.80

<b>Date</b>	<b>Initials</b>	<b>Description</b>	<b>Hours</b>
06/07/2018	RA	Obtaining the parcel register for PIN 75163-0212 and conducting abutting lands search to determine no Planning Act violations; reporting to T. Van Klink	0.50
06/07/2018	AC	Obtain Corporation Profile Report, Certificate of Status, Personal Property Securities Act certificate, Bank Act certificate against ARRC International Inc. and provide search results to T. Van Klink;	0.40
06/07/2018	AC	Obtain Corporation Profile Report, Certificate of Status, Personal Property Securities Act certificate, Bank Act certificate against Agriculture Technology Incorporated and provide search results to T. Van Klink;	0.40
06/07/2018	AC	Obtain Corporation Profile Report, Certificate of Status, Personal Property Securities Act certificate, Bank Act certificate against 2265469 Ontario Inc. and provide search results to T. Van Klink;	0.40
06/07/2018	AC	Obtain Corporation Profile Report, Certificate of Status, Personal Property Securities Act certificate, Bank Act certificate against 2292760 Ontario Inc. and provide search results to T. Van Klink;	0.40
06/07/2018	AC	Obtain Corporation Profile Report, Certificate of Status, Personal Property Securities Act certificate, Bank Act certificate against 2517748 Ontario Inc. and provide search results to T. Van Klink;	0.40
06/07/2018	AVK	Telephone call and e-mails with Mr. Feldman regarding NDA; considering issues relating to goods at third party location and e-mail to Receiver thereon; reviewing documents relating to solar panel roof top lease issue and e-mail to Receiver thereon; review PPSA search and various leasing agreements	5.00
06/08/2018	AVK	Working on NDA, Agreement of Purchase and Sale and Terms and Conditions; reviewing CIM	5.00
06/11/2018	AVK	Reviewing CIM, telephone call with Mr. Smith and Mr. Hinton with comments thereon; e-mail regarding appraisals; further revising Terms and Conditions, NDA and form of Offer; working on draft Agreement of Purchase and Sale	3.40
06/14/2018	AVK	E-mails with lawyer for the Town of Kingsville re ATI	0.10

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be

32560768.1 charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.



Date	Initials	Description	Hours
		lawsuit	
06/21/2018	AVK	Working on court materials	0.30
06/22/2018	AVK	Working on court matetrials	0.30
06/22/2018	AVK	E-mail to Commercial Court office	0.10
06/25/2018	AVK	E-mails with Mr. Smith and court office	0.50
06/26/2018	AVK	Working on and finalizing motion materials, e-mails with Mr. Smith and Mr. Feldman; communicating with Commercial Court office; working on security opinion	1.80
06/27/2018	AVK	Correspondence to Service List	0.10
06/27/2018	AVK	Memo to clerk regarding motion materials	0.10
06/29/2018	AVK	Working on security opinion	3.00
<b>Total Hours</b>			<b>46.70</b>

**Our Fee:** **26,272.00**

**Taxable Disbursements**

Delivery	225.04	
Agent's Fees	18.72	
Corporate or Securities file searches	42.48	
PPSA Search	8.00	
Certificate of Status	170.00	
Online Searches - Teranet	263.30	
PPSA Registration	32.00	
Bankruptcy Search/Bank Act Search	70.00	
<b>Total Taxable Disbursements</b>	<b>829.54</b>	<b>\$829.54</b>

**Non-Taxable Disbursements**

Issue Notice of Motion	160.00	
<b>Total Non-Taxable Disbursements</b>	<b>160.00</b>	<b>\$160.00</b>

**Total Fees and Disbursements** **\$27,261.54**

**Ontario HST 13% (R119440766)**

On Fees

\$3,415.36

On Disbursements

\$107.84

**Total Amount Due**

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**\$30,784.74**

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E.&amp;O.E.





**EXHIBIT "B"**  
**Miller Thomson's Fees**

	<u>Year of Call</u>	<u>Rate 2018</u>	<u>Total</u>
<b>Hours</b>			
T. Van Klink	1988	\$585.00	<b>44.20</b>
A. Chornaby	N/A	\$175.00	<b>2.00</b>
R. Armstrong	N/A	\$130.00	<b>0.50</b>
			<u>46.70</u>
<b>Total \$</b>			
T. Van Klink	1988	\$585.00	<b>\$25,857.00</b>
A. Chornaby	N/A	\$175.00	<b>\$350.00</b>
R. Armstrong	N/A	\$130.00	<b>\$65.00</b>
			<u>\$26,272.00</u>
<b>Summary</b>			
Fees			<b>\$26,272.00</b>
Disbursements			<b>\$989.54</b>
HST			<b>\$3,523.20</b>
Total			<u><u>\$30,784.74</u></u>

BANK OF MONTREAL      and      ARRC INTERNATIONAL INC., et al.  
Applicant                                  Respondents

Court File No: CV-18-595565-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**AFFIDAVIT OF SHERRY KETTLE**

**MILLER THOMSON LLP  
One London Place  
255 Queens Avenue, Suite 2010  
London, ON Canada N6A 5R8**

**Tony Van Klink** LSO#: 29008M  
tvanklink@millerthomson.com  
Tel: 519.931.3509  
Fax: 519.858.8511

Lawyers for MNP Ltd., the Court-appointed  
Receiver of the assets, undertakings and  
properties of ARRC International Inc.,  
Agriculture Technology Incorporated, 2265469  
Ontario Inc., 2292760 Ontario Inc. and 2517748  
Ontario Inc.

BANK OF MONTREAL

and

ARRRC INTERNATIONAL INC., et al.

Court File No. CV-18-595565-00CL

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**MOTION RECORD  
(RETURNABLE AUGUST 30, 2018)**

**MILLER THOMSON LLP  
ONE LONDON PLACE  
255 QUEENS AVENUE, SUITE 2010  
LONDON, ON CANADA N6A 5R8**

Tony Van Klink LSO#: 29008M  
tvanklink@millerthomson.com  
Tel: 519.931.3509  
Fax: 519.858.8511

Lawyers for MNP Ltd., the Court-  
appointed Receiver of the assets,  
undertakings and properties of ARRC  
International Inc., Agriculture Technology  
Incorporated, 2265469 Ontario Inc., 2292760  
Ontario Inc. and 2517748 Ontario Inc.