

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

MICHAEL CADOTTE AND STEPHEN KAY

Applicant

and

SANTIAGO SARA VIA AND SIAN FERNANDEZ THOMAS

Respondents

**FIRST REPORT OF MNP LTD., IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF
SANTIAGO SARA VIA AND SIAN FERNANDEZ THOMAS**

JANUARY 26, 2021

Contents

INTRODUCTION AND BACKGROUND4

PURPOSE OF THIS REPORT.....5

NOTICE TO READER6

INITIAL RECEIVERSHIP ACTIVITIES.....7

THE REAL PROPERTY, THE APPRAISAL AND THE LISTING.....7

MARKETING OF REAL PROPERTY AND RESULTS.....9

THE SALES AGREEMENT AND TRANSACTION10

ONGOING OPERATIONS10

PRIORITY AND SECURED CLAIMS.....11

FUNDS AVAILABLE FOR DISTRIBUTION.....12

PROFESSIONAL FEES.....12

COMPLETION OF THE RECEIVERSHIP13

SUMMARY AND RECOMMENDATIONS13

APPENDICES

- 1 Receivership Order dated January 30, 2020
- 2 Notice of Statement of Receiver
- 3 Listing agreement Gentry Real Estate Services Limited
- 4 Market teaser brochure
- 5 Redacted Sales and Marketing summary
- 6 Redacted purchase and sale agreement
- 7 Rideau Auction Inc. equipment appraisal
- 8 PPSA search results dated January 19, 2021
- 9 Property tax certificate dated January 25, 2021
- 10 Parcel register Real Property
- 11 Postponement Agreement date April 16, 2016
- 12 Paul O. D'Angelo of BD Law Offices legal opinion
- 13 Default Judgement dated September 13, 2019
- 14 Statement of Receipts and Disbursements

Confidential Appendices

- A January 18, 2016 Rivington Associates Commercial Division Inc.
- B Unredacted Sales and Marketing summary
- C Correspondence from purchaser
- D Unredacted Purchase and Sale Agreement

INTRODUCTION AND BACKGROUND

1. Santiago Saravia and Sian Fernandez Thomas (the “Debtors”) reside at 3550 2nd Concession Road, Wendover, Ontario (the “Real Property”).
2. The Debtors resided and operated a horse boarding and riding facility known as the International Equestrian Centre at the Real Property.
3. On March 11, 2016, the Debtors granted a General Security Agreement (“GSA”) to The LCRC Trust, The MRJK Trust and Michael Cadotte. On August 15, 2019, the GSA was assigned to Mainstreet Credit Union Limited (“Mainstreet”) and then subsequently re-assigned to the Lenders. Contained as Exhibit I and J of the Affidavit of Stephen Kay to the Receivership Application Record (the “Kay Affidavit”) is the GSA and assignment of interest to Mainstreet.
4. On or about April 19, 2016, the Debtors became indebted to Michael Cadotte and Stephen Kay (the “Lenders”) with respect to certain credit facilities granted by the Lenders pursuant to a mortgage along with the GSA (the “Security”).
5. The mortgage was transferred to Mainstreet on April 19, 2016, contained as Exhibit C of the Kay Affidavit, and then transferred back to the Lenders on December 4, 2019, contained as Exhibit E of the Kay Affidavit.
6. On April 19, 2016, the second mortgage holders, Wolfgang and Beverly Schinke (“Schinke”) granted a postponement in favour of the Lenders.
7. On July 2, 2019, Mainstreet issued a Statement of Claim in the amount of \$800,332.28 contained as Exhibit G of the Kay Affidavit.
8. On July 15, 2019, Mainstreet issued a Notice of Sale Under Mortgage/Charge requiring the Debtors to pay the sum of \$805,759.32 no later than August 22, 2019. A copy of the Notice of Sale Under Mortgage is contained as Exhibit F of the Kay Affidavit.
9. On July 15, 2019, Mainstreet also issued a Notice of Intention to Enforce Security in accordance with s. 244 of the *Bankruptcy and Insolvency Act* (“BIA”), which statutory notice is contained as Exhibit F of the Kay Affidavit.

10. On July 15, 2019, Mainstreet issued the Farm Debt Mediation Notice of Intent to Realize on the Security contained as Exhibit F of the Kay Affidavit.
11. On July 23, 2019, Mainstreet issued a Notice Pursuant to Section 63(4) of the Personal Property Security Act to the Debtors in the amount of \$805,759.32, contained as Exhibit K of the Kay Affidavit.
12. On September 13, 2020, Mainstreet obtained default Judgment against the Debtors in the amount of \$825,000.06 plus cost of \$1,470.23 contained as Exhibit H of the Kay Affidavit.
13. Reported in the Application Record, the Debtors obligations to the Lenders pursuant to the above Security (the “Indebtedness”) totaled \$825,000.06 as at September 19, 2019 (excluding interest and fees accrued since).
14. The Security provides for the appointment of a receiver in the event of default by the Company under the Security.
15. On January 15, 2020, the Lenders brought an application for the appointment of MNP Ltd. (“MNP”) as the receiver of the Company for the protection of the interests of the Lenders and other stakeholders.
16. By Order of this Honourable Court dated January 30, 2020 (the “Receivership Order”), MNP was appointed receiver (the “Receiver”), without security, of all of the assets, undertakings and properties of Company used in relation to its business, including all proceeds thereof (the “Property”, which is taken to include the Real Property). A copy of the Receivership Order is attached at **Appendix “1”**.

PURPOSE OF THIS REPORT

17. The purpose of this first report of the Receiver to the Court (the “First Report”) is to:
 - (a) report on the activities of the Receiver since its appointment pursuant to the Receivership Order;
 - (b) seek the Court’s approval of the activities and conduct of the Receiver and that of its legal counsel as described in the First Report;

- (c) seek the Court's approval of the Sales Agreement (as defined below) and of the Sales Transaction (as defined below) and the conveyance of the Real Property to the purchaser thereof and vesting title to the Real Property in the purchaser;
- (d) seek the Court's approval to seal certain confidential appendices to the First Report;
- (e) seek the Court's approval of the Receiver's Interim Statement of Receipts and Disbursements ("**SRD**");
- (f) seek the Court's approval in respect of an interim distribution to Lenders in the amount of \$500,000.00 on account of their first-ranking mortgage and secured claim; and
- (g) to seek the Court's approval in respect of paying to the Township of Alfred & Plantagenet (the "**Township**") all outstanding municipal tax arrears (the "**Tax Arrears**") in respect of the Real Property.

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

NOTICE TO READER

19. This First Report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination of whether to approve the relief being sought.

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

INITIAL RECEIVERSHIP ACTIVITIES

21. Immediately following the granting of the Receivership Order on January 30, 2020 (the “Receivership Date”), the Receiver attended at the Real Property to take possession of and secure the Property. The initial activities of the Receiver included:
- (a) notifying the Debtors of MNP’s appointment as Receiver;
 - (b) confirming the Debtors will maintain utilities while they remained at the Real Property;
 - (c) attending at the Real Property to inspect the site, inventory the horses and take photos;
 - (d) obtaining the contact information for the owners of the horses;
 - (e) sending notice of appoint of the Receiver to all horse owners, along with a prescribe notice of third-party claim to be completed and returned to the Receiver before any horse would be removed from the Real Property;
 - (f) for the three horses owned by the Debtors, plan for their sale;
 - (g) inventory farm assets and request an appraisal from Rideau Auctions Inc.;
 - (h) obtaining insurance for the Real Property;
 - (i) requesting relevant information of books and records of the Company;
 - (j) responding to creditor inquiries; and
 - (k) preparing and issuing the prescribed notices and statement of the Receiver pursuant to ss. 245(1) and 246(1) of the BIA, which was sent to the Company’s creditors. A copy of this notice is attached at **Appendix “2”**.

THE REAL PROPERTY, THE APPRAISAL AND THE LISTING

22. On February 9, 2012, the Debtors purchased the Real Property for \$950,000.00.
23. There was no environmental assessment completed on the Real Property given the current use did not warrant such a report nor expense.
24. On January 18, 2016, Debtors obtained a real estate appraisal from Rivington Associates Commercial Division Inc. (the “**Rivington Appraisal**”). A copy of the Rivington Appraisal is attached as **Confidential Appendix “A”**.

25. The Rivington Appraisal notes the following to arrive at the appraised value:
- a) the assessed property value was \$582,000 for the 2016 taxation year (page 6);
 - b) 112 acres of cleared land, approximately 50 acres of bush and swamp lands (page 10); and
 - c) site soil type is Class 4 and 5, with Class 4 limiting farming to be low productivity and class 5 having no use for sustained production of field crops (page 10).
26. The Receiver inspected the ten (10) cabins and three mobile homes which were all vacant and in complete disrepair. The Rivington Appraisal attributed no value to the structures and there would be a significant cost to remove these structures from the Real Property.
27. The Receiver inspected the main residence and observed holes in the roof with water leaking from melting snow which flowed into the back portion of the house.
28. The Receiver concluded that no other appraisals were required given the limited use of the land for farming, lack of commercial activity and limited sales transactions in the immediate area.
29. The Receiver requested a listing agreement from Gentry Real Estate Services Limited (“Gentry”) to market and sell the Real Property.
30. Gentry attended the Real Property to inspect the site and review in person the deficiencies in a number of the structures, including the main residence.
31. On February 7, 2020, Gentry provided the Receiver with a listing agreement with a recommended listing price for the Real Property of \$1,190,00.00 and a commission rate of 3.5% if sold exclusively and 4.5% if there would be a cooperating broker. A copy of the listing agreement is contained at **Appendix “3”**.
32. The aggregate principal amount of the registered mortgages against title of the Real Property total \$860,000.00.
33. The Receiver consulted with the Lenders who provided their support for the Receiver to enter into a listing agreement with Gentry having a listing price of \$1,190,000.00.

34. As a result, given the favourable terms contained in the Gentry listing agreement and that Gentry is a reputable, competent and licensed commercial real estate broker, the Receiver did not canvass the market for a second proposal. The Real property was listed for sale at \$1,190,000.00.

MARKETING OF REAL PROPERTY AND RESULTS

35. The marketing process and the results of the marketing process are detailed in **Confidential Appendix “B”** and a redacted copy is attached at **Appendix “4”**.

36. Highlights of Gentry’s marketing process in respect of the sale of the Real Property are as follows:

- a) Gentry went to market on February 7, 2020, a copy of the information brochure is attached at **Appendix “5”**;
- b) 20 parties made inquiries, 1,933 viewed the listing under “LoopNet”, and 2,457 viewed the listing at Houseproperties.com;
- c) 2 low offers were received by June 9, 2020, which were both countered by the Receiver with no further interest received by either party;
- d) on June 18, 2020, the listing was reduced to \$1,090,000.00;
- e) on August 10, 2020, the listing was reduced to \$990,000.00;
- f) on September 12, 2020, the Receiver was presented and offer from Marc Wray (“Wray”);
- g) on October 3, 2020, the Receiver accepted a conditional offer to purchase from Wray, having conditions to be waived by December 11, 2019;
- h) on November 23, 2019, Wray advised the Receiver that the Township was not prepared to change the zoning of the Real Property without further analysis and studies to be obtained by Wray;
- i) Wray advised the Receiver that he was prepared to assume the risk of rezoning and bank financing if the Receiver would be prepared to reduce the selling price.

A copy of the correspondence with Wray is attached at **Confidential Appendix “C”**; and

- j) on November 30, 2020, the Wray submitted an unconditional final offer to purchase the Real Property that the Lenders provided their support.

THE SALES AGREEMENT AND TRANSACTION

37. On December 1, 2020, the Receiver accepted the final offer to purchase (the “**Sales Agreement**”), copies of which are attached as **Confidential Appendix “D”** and **Appendix “6”** (in which the purchaser’s identity and the purchase price were redacted). The Sales Agreement provides for an eighty-thousand-dollar deposit (\$80,000.00) and that it is binding, and that the closing (the “**Sales Transaction**”) is subject to approval of the Court, and to occur no earlier than March 1, 2021.

38. The Receiver recommends that the Sales Agreement and the Sales Transaction be approved by this Honourable Court for the following reasons:

- a) the Real Property was exposed widely to the marketplace for approximately ten months in a manner that is common for properties of this nature and was listed for sale with a professional and licensed commercial real estate broker that is well known in the market;
- b) the Sales Agreement is now unconditional except of the Courts approval, and the purchase price is in line with the market value of the Real Property;
- c) the purchase price is greater than the other offers received by the Receiver since June 2020;
- d) the Receiver does not believe that further marketing of the Real Property will result in a superior offer; and
- e) the Sales Transaction that is the subject of the Sales Agreement is provident and a favourable outcome for the estate and followed a thorough, impartial and fair sales process that fully tested the market.

ONGOING OPERATIONS

39. The Receiver did not operate the riding or boarding facility due to the high risk of fire and refusal by insurance companies to provide the Receiver with insurance coverage if such operations continued.

40. All horses were returned to their owners within the first two weeks of the appointment of the Receiver.
41. The farming equipment was appraised by Rideau Auctions Inc. on February 19, 2020 estimating a liquidation value of approximately \$20,000.00. A copy of the Rideau Auction Inc. appraisal is contained at **Appendix “7”**.
42. The equipment was sold at auction for \$27,216.00 before costs of liquidation.

PRIORITY AND SECURED CLAIMS

Priority Claims

43. The Receiver is not aware of any claims that would rank in priority to the secured creditors.

Secured Claims

44. The PPSA search results dated January 19, 2021 report that the only registered secured creditors are the Lenders. A copy of the PPSA search results is contained at **Appendix “8”**.
45. As of January 25th, 2021, the Tax Arrears in the amount of \$30,102.52. A copy of the property tax certificate is contained at **Appendix “9”**.
46. The parcel register for the Real Property confirms that the Lenders registered a first-ranking charge on title of the Real Property on April 19, 2016. A copy of the parcel register for the Real Property dated January 18, 2021 is attached at **Appendix “10”**.
47. The parcel register confirms a postponement agreement in favour of the Lenders has been registered. A copy of the Schinke postponement is attached at **Appendix “11”**.
48. On January 22, 2021, the Receiver obtained from Paul O. D’Angelo of BD Law Offices a legal opinion regarding the validity and enforceability of the security held by the Lenders, a copy of which is attached at **Appendix “12”**.
49. Based on this legal opinion, it appears that Lender’s security is valid and enforceable as against the Real Property and creates a first ranking charge. Lender’s mortgage is a

first-ranking mortgage in the principal amount of \$700,000.00, which encumbers title to the Real Property.

50. The Lenders have an outstanding Judgment in the amount of \$825,000.06 plus ongoing interest, and legal costs. The Judgement is attached at **Appendix "13"**.

51. In light of the foregoing, and in the event the Court approves the Sales Agreement and the Sales Transaction and that the said transaction closes, the Receiver will be seeking the authorization of the Court to make an interim distribution to Lenders in the amount of \$500,000.00 to be applied against the Indebtedness.

FUNDS AVAILABLE FOR DISTRIBUTION

52. A copy of the Interim Statement of Receipts and Disbursements is attached at **Appendix "14"**. It confirms that receipts exceed disbursements by \$15,172.00 to the date of this First Report.

53. Considering the foregoing, the Receiver recommends making an interim distribution to Lenders in the amount of \$500,000.00 and for the Receiver to hold the remaining amounts until a further report to the Court is filed with respect to further distributions.

54. In the event the Sales Transaction closes and the proposed distribution is paid to the Lenders, it will result in a significant reduction to the Indebtedness.

PROFESSIONAL FEES

55. Pursuant to paragraph 16 of the Receivership Order, the fees and disbursements of the Receiver and its legal counsel form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person.

56. Pursuant to paragraph 18 of the Appointment Order, the Receiver is entitled to apply reasonable amounts out of the monies in its hands to satisfy its professional fees and disbursements and those of its counsel, and such amounts are to constitute advances against its remuneration and disbursements when and as approved by the Court.

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

COMPLETION OF THE RECEIVERSHIP

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

SUMMARY AND RECOMMENDATIONS

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

- (a) If necessary, abridging the time for and validation of service of the Notice of Motion and Motion Record herein;
- (b) Approving the Receiver's First Report, and the activities and conduct of the Receiver and of its legal counsel since its appointment, all as recited in the First Report;
- (c) Approving the Sales Agreement and Sales Transaction, and the conveyance of the Real Property to the purchase and vesting title of the Real Property in the purchaser;
- (d) Approving the sealing of the confidential appendices to the First Report pending the closing of the Sales Transaction or further Order of this Court;
- (e) Approving the Receiver's Interim Statement of Receipts and Disbursements;
- (f) Approving a interim distribution to Lenders in the amount of \$500,000.00; and
- (g) Upon closing of the Sales Transaction, approving the payment to the Township for all Tax Arrears in respect of the Real Property.

This First Report is respectfully submitted to the Honourable Court as of this 26th day of January 2021.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of Santiago Savavia and Sian Fernandez Thomas and not in its personal or corporate capacity
Per:



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

1

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE) THURSDAY, THE 30TH
)
JUSTICE SALLY GOMERY)
)
) DAY OF JANUARY, 2020

MICHAEL CADOTTE AND STEPHEN KAY

Applicants

- and -

SANTIAGO SARAVIA AND SIAN FERNANDEZ THOMAS

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicants for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MNP Ltd. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Santiago Saravia and Sian Fernandez Thomas (the "Debtors") was heard this day at 161 Elgin St., Ottawa, Ontario.

ON READING the affidavit of Stephen Kay, sworn December 10, 2019, and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, no one appearing for the Debtors although duly served as appears from the affidavits of service of Michael Couvrette, sworn January 21, 2020, and on reading the consent of MNP Ltd. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of 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 security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on

whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including 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 \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the 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 Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the 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 employees, agents, accountants, legal counsel, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

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 Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the 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 respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information

provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges 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 Ontario Superior Court of Justice.

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (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-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.

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

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
31. THIS COURT ORDERS that the Applicants shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicants' security or, if not so provided by the Applicants' 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.

EDMONTON
JAN 30 2020
0411
73-13

ms. [signature]

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, 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 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__.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

MICHAEL CADOTTE AND STEPHEN KAY
Applicant

V. SANTIAGO SARAVIA et al.
Respondents

Court File No. CV20 000 82536 000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at
OTTAWA

ORDER
(APPOINTING RECEIVER)

MEROVITZ POTECHIN LLP
Barristers & Solicitors
301 - 200 Catherine St.
Ottawa, Ontario K2P 2K9

Robert J. De Toni (LSO No. 37571C)

Tel: (613) 563-7544

Fax: (613) 563-4577

Lawyers for the Applicant

Box No. 64
(MATT116149)

2

District of: Ontario
Division No. 12 - Ottawa
Court No. 35-165736
Estate No. 33-165736

- FORM 87 -

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

In the matter of the receivership of
Santiago Saravia and Sian Fernandez Thomas
of the Community of Wendover, in the County of United Counties of Prescott and Russell
in the Province of Ontario

The receiver gives notice and declares that:

1. On the 30th day of January 2020, we, MNP Ltd., became the receiver in respect of the property of Santiago Saravia and Sian Fernandez Thomas, that is described below:

Other	Horses	2500.00
Other	Farm Equipment	10000.00
Real Property or Immovable	Building - Wendover - 3550 2nd Concession Road	990000.00

2. We became a receiver by having taken possession or control of the property described above (or by virtue of being appointed by Michael Cadotte and Stephen Kay), pursuant to Registered Mortgage on 3550 2nd Concession Road, Wendover, Ontario dated April 19, 2016 and a general security agreement dated March 11, 2016.

3. The undersigned took possession or control of the property described above on the 30th day of January 2020.

4. The following information relates to the receivership:

(a) Address: 3550 Concession 2 Rd, Wendover, ON, K0A 3K0

(b) Principal line of business: Horse Boarding Farm

(c) Location(s) of business:

3550 2nd Concession Road, Wendover, ON, K0A 3K0

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

Michael Cadotte	\$450000.00
Stephen Kay	\$450000.00
Township of Alfred and Plantagenet	\$10000.00

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

Mainstreet Credit Union	Unsecured	\$1.00
Guy Dejardain Beantown Ranch	Unsecured	\$1.00
Hydro One Networks Inc.	Unsecured	\$391.32
Hydro One Networks Inc.	Unsecured	\$58.54
Hydro One Networks Inc.	Unsecured	\$1.00
Guy Laforge Plumbing	Unsecured	\$1.00
CRA - Tax - Ontario	Unsecured	\$1.00

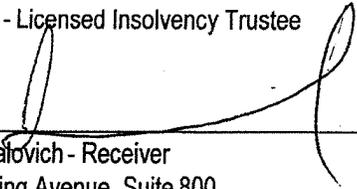
(f) The intended plan of action of the receiver during the receivership, to the extent that such a plan has been determined, is as follows: The Receiver will dispose of the horses and equipment and liquidate the property.

(g) Contact person for receiver:

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

Dated at the City of Ottawa in the Province of Ontario, this 6th day of February 2020.

MNP Ltd. - Licensed Insolvency Trustee
Per:



John Haralovich - Receiver
1600 Carling Avenue, Suite 800
Ottawa ON K1Z 1G3
Phone: (613) 691-4270 Fax: (613) 726-9009



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

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

DATE: February 10, 2020

RE: Filing of Receivership and Reporting Duties of Receiver

ESTATE NAME: SANTIAGO SARAVIA AND SIAN FERNANDEZ THOMAS
ESTATE NO: 33-165736

Dear Sir/Madam,

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

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

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

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

Superintendent of Bankruptcy

Place Bell Canada, 160 Elgin Street, 11th Floor, Suite B-100, Ottawa, ONTARIO, K2P 2P7, 877/376-9902

Canada

3



Form 520 for use in the Province of Ontario

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

This is a Multiple Listing Service® Agreement



OR

This Listing is Exclusive

EXCLUSIVE

(Seller's Initials)

BETWEEN:

BROKERAGE: GENTRY REAL ESTATE SERVICES LIMITED

1590 DIXIE STREET (the "Listing Brokerage") Tel. No. (613) 230-6050

SELLER: MNP Ltd. as COURT APPOINTED RECEIVER FOR Santiago Saravia & Sian Fernandez Thomas (the "Seller")

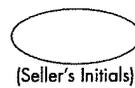
In consideration of the Listing Brokerage listing the real property for sale known as 3550 PLANTAGENET SECOND CONCESSION WENDOVER, ONTARIO K0A 3K0 (the "Property")

the Seller hereby gives the Listing Brokerage the exclusive and irrevocable right to act as the Seller's agent,

commencing at 12:01 a.m. on the 7 day of February, 2020

until 11:59 p.m. on the 30 day of June, 2020 (the "Listing Period"),

Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate and Business Brokers Act, 2002, (REBBA), if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials.



to offer the Property for sale at a price of:

One Million One Hundred Ninety Thousand Dollars (\$CDN) 1,190,000.00

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the property.



- 1. DEFINITIONS AND INTERPRETATIONS: For the purposes of this Agreement ("Authority" or "Agreement"): "Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Real Estate and Business Brokers Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.
2. COMMISSION: In consideration of the Listing Brokerage listing the Property for sale, the Seller agrees to pay the Listing Brokerage a commission of 4.5% IF COOPERATING BROKER INVOLVED 3.5% IF SOLD EXCLUSIVELY % of the sale price of the Property or

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

INITIALS OF LISTING BROKERAGE: [Signature]

INITIALS OF SELLER(S): [Signature]

The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license. © 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage), and to offer to pay the co-operating brokerage a commission of²..... % of the sale price of the Property or

..... out of the commission the Seller pays the Listing Brokerage. The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on

the Seller's behalf within⁹⁰..... days after the expiration of the Listing Period (**Holdover Period**), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.

Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.

In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller.

All amounts set out as commission are to be paid plus applicable taxes on such commission.

3. REPRESENTATION: The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage acting as an agent for more than one seller without any claim by the Seller of conflict of interest. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property.

MULTIPLE REPRESENTATION: The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will obtain the Seller's written consent to represent both the Seller and the buyer for the transaction at the earliest practical opportunity and in all cases prior to any offer to purchase being submitted or presented.

The Seller understand and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer, including a requirement to disclose all factual information about the Property known to the Listing Brokerage.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the Property will be disclosed to both Seller and buyer to assist them to come to their own conclusions.

Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.

MULTIPLE REPRESENTATION AND CUSTOMER SERVICE: The Seller understands and agrees that the Listing Brokerage also provides representation and customer service to other sellers and buyers. If the Listing Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Listing Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Listing Brokerage's relationship to each seller and buyer.

INITIALS OF LISTING BROKERAGE: DS
FL

INITIALS OF SELLER(S): DS
JH



The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.

© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

- 4. **REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller's accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 5. **MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 6. **WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 7. **INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement or the accompanying data form. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems.
The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 8. **FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 9. **FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the commission as described above.
- 10. **VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.
- 11. **USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may: during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and

INITIALS OF LISTING BROKERAGE: 

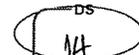
INITIALS OF SELLER(S): 

 The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
 © 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:


(Does)


(Does Not)

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

- 12. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
- 13. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.
- 14. ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
- 15. ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act, 2000*, S.O. 2000, c17 as amended from time to time.
- 16. SCHEDULE(S)** and data form attached hereto form(s) part of this Agreement.

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

DocuSigned by: Frederick (Fred) Crouch 2/4/2020 **Frederick (Fred) Crouch FRI ACoM CRES**
 (Authorized to bind the Listing Brokerage) (Date) (Name of Person Signing)
BACCC6B28A21406...

THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME, I ACCEPT THE TERMS OF THIS AGREEMENT AND I ACKNOWLEDGE ON THIS DATE I HAVE SIGNED UNDER SEAL. Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

MNP Ltd. as Court Appointed Receiver
 (Name of Seller) DocuSigned by:

John Haralovich V.P. MNP LTD. licensed Insolvency Trustee 2/4/2020 **613-691-4262**
 (Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)
3EE0ACDC88EA408...

.....
 (Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

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

DECLARATION OF INSURANCE

The Salesperson/Broker/Broker of Record **Frederick (Fred) Crouch FRI ACoM CRES**
 (Name of Salesperson/Broker/Broker of Record)
 hereby declares that he/she is insured as required by REBBA.
 DocuSigned by: Frederick (Fred) Crouch
 (Signature of Salesperson/Broker/Broker of Record)
BACCC6B28A21406...

ACKNOWLEDGEMENT

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a copy of

2/4/2020
this Agreement on the **day of** **February** **20** **20**
 DocuSigned by: John Haralovich V.P. MNP LTD. licensed Insolvency Trustee 2/4/2020
 (Signature of Seller) **MNP Ltd. as Court Appointed Receiver** (Date)
3EE0ACDC88EA408...
 (Signature of Seller) **for Santiago Saravia & Sian Fernandez Thomas** (Date)

 The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
 © 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

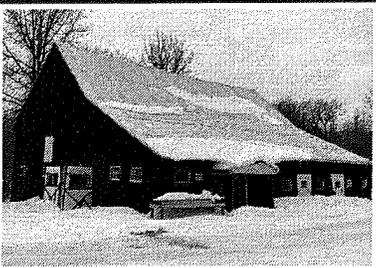
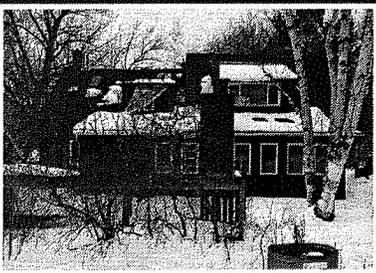
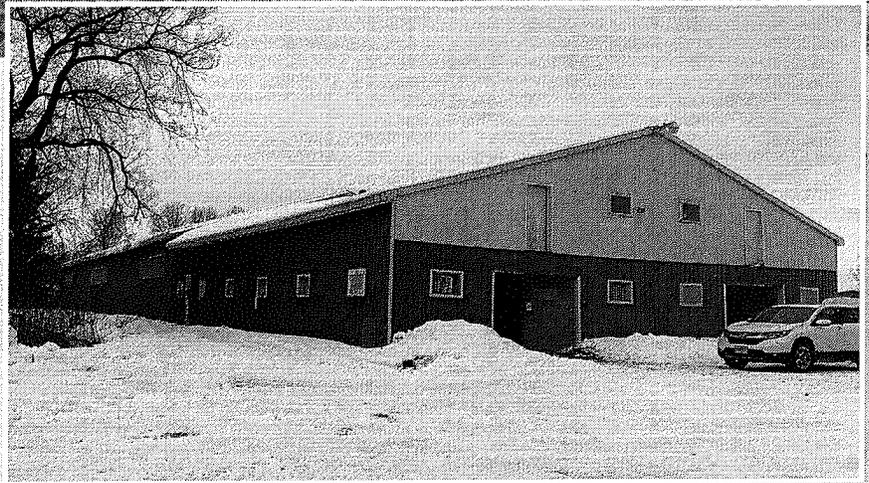
4



163.27 Acres. Previous Equestrian Centre/Farm.



\$1,190,000
MLS® #1181693



Introduction

Features a 9000 square foot Arena Structure attached to a barn with 20 box stalls, tack room, and second level observation lounge. 11 Cabins and Canteen previously used as a Summer Camp.

8 Paddocks and 4 Fields. Additional Tack Shed, Quarantine Barn, older Hay Barn, Primary Residence, and secondary mobile home.

A special opportunity for horse lovers and land holders alike.

gentryres.com

Fred (Frederick) Crouch, FRI ACoM CRES | 613.816.8306 | fcrouch@gentryres.com

Gentry Real Estate Services Limited, Brokerage



Features a 9000 square foot Arena Structure

3550 Plantagenet Second Concession Road

Wendover, Ontario

Property Overview

Zoning:	C4-2 – Rural Commercial Zone – Exception 2
# of Acres:	163.27 Acres (Approx. 112 Acres Cleared, Another 50 Acres Bush Land)
Primary Residence:	“Cottage” (1300 square feet with two bedrooms and a Bath)
Hay Barn :	50' X 62' (10 Box Stalls & 13 Standing Stalls)
Tack Shed :	12' X 20'
Quarantine Barn:	28.5' X 40' (6 Box Stalls and Tack Room)
Canteen & Mess Hall:	24' X 60'
10 Camp Cottages:	10' X 12'

8 Paddocks and 4 Fields



5



December 3rd, 2020

MNP LTD.

Court-Appointed Receiver for Stuart William Lackey & Catherine Lackey

Kind Attention of:

Mr. John Haralovich Senior Vice President

800-1600 Carling Avenue

Ottawa, ON K1Z 1G3

Re: Marketing Report: 3550 Plantagenet Second Line Road

Dear Sir,

We are pleased to provide you with the following statistical information regarding the marketing and successful sale of the property situated at 3550 Plantagenet Second Line Road, Wendover, Ontario:

Price Adjustments During Term of Listing:

February 7 th , 2020	Original List Price:	\$ 1,190,000.
June 19 th , 2020	Price Reduction	\$ 1,090,000.
September 17 th , 2020	Price Reduction	\$ 990,000.
October 3 rd , 2020	Conditional Sold	\$ [REDACTED]
December 1 st , 2020	Conditions Removed	\$ [REDACTED]

Marketing Exposure:

Signage	Yes	Continuous
Realtor.ca	Yes	Continuous
LoopNet	1,933 Viewings (90 Period)	Continuous
HorseProperties.Com	2,457 Viewings (Entire)	Continuous
Direct Communications	20 Unique Interactions	Continuous

Offer Schedule:

April 22 nd , 2020	Daniel Paquette (Verbal)	\$ 500,000.
	Countered at \$1,150,000	<i>No Response</i>
June 9 th , 2020	J. Rachon (Agent) Per Acre	\$ 1,000.
	Countered at \$3,500. Per Acre	<i>No Response</i>
October 3 rd , 2020	Marc Wray	\$ [REDACTED]
December 1 st , 2020	Marc Wray (Reduction)	\$ [REDACTED]

Gentry Real Estate Services Limited. Brokerage
1590 Dixie Street, Ottawa, ON, K1G 0P3 : GentryRES.com
Dir: 613.816.8306 : Tel: 613.230.6050 : Fax: 613.230.4418

Experience
is the Best Teacher.



Summary:

The property enjoyed considerable exposure during the term of the Listing with most interest coming from the combination of Third Party Listing Services – in this case, HorseProperties.Com and LoopNet.

There were only three Offers on the Property, two of which were countered without response. After considerable negotiation, the third Offer was accepted at [REDACTED]. It did have several conditions attached to it however which led to an extended condition period which was to be fulfilled by December 12th, 2020.

On November 28th, 2020, the Purchaser informed us that there were several concerns he had about proceeding with the sale. The Purchaser's primary concern was that his financial institution was not prepared to lend, using the subject property as security, until the property was successfully rezoned for the intended use, which, according to the Township, could take an additional six months to achieve. His secondary concern was the quickly depreciating condition of the main house. The roof is badly in need of repair and it was his belief that unless the Seller was prepared to repair/replace the roof, that the building would be of little value by the proposed closing date.

After lengthy negotiations, it was agreed that the Seller would reduce the purchase price of the property to [REDACTED] with the understanding that the Purchaser would take it upon himself, at his own expense, to make the necessary repairs to the roof of the main house immediately to forestall any additional damage to the main house.

Submitted for your Information,

Frederick (Fred) Crouch FRI ACoM CLO CRES
Broker of Record
Gentry Real Estate Services Limited
Realtor

Since 1987

Gentry Real Estate Services Limited, Brokerage
1590 Dixie Street, Ottawa, ON, K1G 0P3 · GentryRES.com
Dir: 613.816.8306 · Tel: 613.230.6050 · Fax: 613.230.4418

Experience
is the Best Teacher.

6

OFFER TO PURCHASE

TO: MNP Ltd. (the "Vendor" or "Receiver") in its capacity as court-appointed receiver, without security, of the lands and premises municipally known as 3550 2nd Concession Road, Wendover, Ontario, and all of the assets and undertakings of Santiago Saravia and Sian Fernandez Thomas (the "Debtor") acquired for or used in relation to the Debtor's operations of the said properties, pursuant to the Order of the Honourable Madam Justice Gomery of the Ontario Superior Court of Justice, dated January 30, 2020, in Court File No. CV-20000-82536-000 at Ottawa (the "Appointment Order"), and not in its personal capacity or corporate capacity.

1. Offer to Purchase

The undersigned, *Marc Wray & 6417604 Canada Inc. for a Corporation to be Formed* (the "Purchaser"), hereby offers to purchase from and through the Vendor all of the right, title and interest in and to the Property (hereinafter defined) which the Vendor is entitled to sell pursuant to the Appointment Order at the purchase price set out herein and upon and subject to the terms hereof.

2. Definitions

In this Offer and the Agreement arising from the acceptance hereof, the following terms have the meanings respectively ascribed to them:

"Agreement", "the Agreement" or "this Agreement" means the agreement of purchase and sale resulting from the acceptance of this Offer by the Vendor.

"Appointment Order" has the meaning ascribed thereto in the addressee line hereof.

"Approval" in relation to the Court means the making of an appropriate Order of the Court in respect of the particular matter submitted for approval approving the action or proposed action of the Vendor on terms satisfactory to the Vendor.

"Broker" has the meaning ascribed thereto in Section 3(a) hereof.

"Buildings" means the building(s), if any, situate on the Lands (as hereinafter defined) together with all other structures situate thereon, including all improvements thereto and all fixtures forming a part thereof.

"Business Day" means a day other than Saturday, Sunday or a statutory holiday in the Province of Ontario or any other day upon which the Vendor is not open for the transaction of business throughout normal business hours at its principal office.

"Closing" or "Closing Date" has the meaning ascribed thereto in Section 19 hereof.



- 2 -

"Condition Date" has the meaning ascribed thereto in Section 5 hereof.

"Court" means the Ontario Superior Court of Justice and includes a judge, master or registrar of that court and any appellate court judge having jurisdiction in any particular matter.

"Deposit" has the meaning ascribed thereto in Section 3(a) hereof.

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

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

"HST" has the meaning ascribed thereto in Section 18 hereof.

"Indemnitees" has the meaning ascribed thereto in Section 26 hereof.

"Lands" means the lands legally described in Schedule "A" attached hereto.

"Lease(s)" means collectively, all leases, agreements to lease, tenancies, licenses, and any other rights of occupation of space in the Buildings or on the Lands, if any.

"Material Documents" includes copies of all architectural drawings, site plans relating to the Property, existing plans of survey, if any, the Leases(s), if any, and operating statements for the Building, if any, to the extent that such Material Documents are in the possession of the Vendor.

"Offer", "the Offer" or "this Offer" means the offer to purchase the Property made by the Purchaser and contained in and comprised of this document.

"Property" means collectively, the Lands and Buildings.

"Purchase Price" has the meaning ascribed thereto in Section 3 hereof.

"Purchaser's Conditions" has the meaning ascribed thereto in Section 5 hereof.

"TERS" has the meaning ascribed thereto in Section 19 hereof.



"Vesting Order" has the meaning ascribed thereto in Section 7 hereof.

3. Purchase Price

The purchase price for the Property shall be

payable in lawful money of Canada (the "Purchase Price"), subject to the adjustments hereinafter referred to in Section 9 hereof, and shall be paid by the Purchaser as follows:

- (a) a deposit of ~~Seven~~ ^{eight} ~~Five Thousand Dollars (\$75,000.00)~~ ^(\$80,000.00) (the "Deposit"), which shall not be less than 10% of the Purchase Price, shall be delivered to the Vendor's real estate broker, *Gentry Real Estate Services Limited* (the "Broker"), with submission of this Offer by a certified cheque or bank draft drawn on an account at a Canadian chartered bank or trust company payable to the Broker, as agent for the Vendor; and,
- (b) the balance of the Purchase Price for the Property shall be paid, subject to the adjustments hereinafter referred to, to the Vendor on the Closing Date by wire transfer through a Canadian chartered bank or trust company to the Vendor's lawyers (or as the Vendor or its lawyers may direct).

4. Deposit

The Deposit shall be held in trust by the Broker, on behalf of the Vendor, and shall be:

- (a) returned to the Purchaser without interest or deduction if the Vendor does not accept this Offer;
- (b) credited to the Purchaser as an adjustment against the Purchase Price on the Closing Date if the purchase and sale of the Property is completed pursuant to the Agreement;
- (c) returned to the Purchaser with interest and without deduction if the purchase and sale of the Property is not completed pursuant to the Agreement, provided that the Purchaser is not in default under this Offer or under the Agreement; or
- (d) released by the Broker to the Vendor and retained by the Vendor as a genuine pre-estimate of liquidated damages and not as a penalty, in addition to any other rights and remedies that the Vendor may have under this Offer, the Agreement and at law, including offering the Property for sale to another person, if the purchase and sale of the Property is otherwise not completed pursuant to this Offer and the Agreement, as a result of the Purchaser's breach hereunder.

5. Purchaser's Conditions

Notwithstanding anything to the contrary herein contained, the Agreement is conditional to the Purchaser until 5:00 o'clock p.m. (Ottawa time) on *December 11th, 2020* (the "Condition Date") and is subject to the Purchaser satisfying itself in its sole, absolute and unfettered discretion with all matters relating to the Property, including without limitation, zoning matters, the Leases, if any, and the suitability and economic viability of the Property for the Purchaser's use, the physical condition of the Property, soil conditions, the environmental condition of the Property and the surrounding real property and the results of its other due diligence tests, inspections and investigations, *and upon the receipt of Federal Government Contract Approval for the use of the Buyer's Training Facility (Intended Use of the Subject Property)* (collectively, the "Purchaser's Conditions"). *Signed by HCW*

 DS
MW

The Purchaser's Conditions are for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time on or before the Condition Date, any such waiver to be made in writing by the Purchaser or its solicitors. In the event that the Purchaser has not, on or before the Condition Date, waived the Purchaser's Conditions or provided the Vendor with written confirmation that the Purchaser's Conditions have been satisfied, this Agreement shall be null and void and the Deposit shall be returned to the Purchaser with interest and without deduction and the Vendor and the Purchaser shall have no further obligations to each other with respect hereto.

6. Acceptance of Offer

The Purchaser agrees that no agreement for the purchase and sale of the Property shall result from this Offer unless and until this Offer has been accepted by the Vendor and Approval has been obtained from the Court in accordance with the provisions of Section 7 hereof. The Purchaser agrees that this Offer shall be irrevocable by the Purchaser and open for acceptance by the Vendor until 5:00 o'clock p.m. (Ottawa time) on *September 18th, 2020*, after which time, if not accepted by the Vendor, this Offer shall be null and void and the Deposit shall be returned to the Purchaser in accordance with Section 4(a) hereof. The Vendor shall indicate the date on which it has accepted this Offer in the space provided on the execution of this Offer.

7. Court Approval

The Purchaser hereby acknowledges and agrees that the sale of the Property is by, and subject to, Approval of the Court. The Vendor shall, forthwith after waiver of the Purchaser's Conditions, or after the acceptance by the Vendor of the Offer if there are no Purchaser Conditions, bring a motion to the Court for Approval of the Agreement and an order vesting title to the Property in the Purchaser (the "Vesting Order"). The Vendor shall diligently pursue such motion on notice to the Purchaser and shall promptly notify the Purchaser of the disposition thereof. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the

 DS
MW

^{OS}
MW C (120)

Purchaser's power as the Vendor may reasonably require to obtain Approval of the Agreement. If the Court shall not have granted Approval of the Agreement within ~~this~~ ^{the prescribed period} ~~the~~ ^{as amended} ~~thirty (30)~~ ^{twenty days} Business Days of waiver of the Purchaser's Conditions, or within ~~thirty (30)~~ days of the Vendor's acceptance of the Offer if there are no Purchaser Conditions, the Agreement shall automatically be terminated, unless the parties otherwise agree in writing. If the Agreement is terminated under any provision of this Section, the Deposit and any interest earned thereon shall be returned to the Purchaser in accordance with Section 4(c) hereof and neither party shall have any further rights or liabilities hereunder.

MW

8. Capacity of Receiver

The Vendor, by acceptance of the Offer, is entering into the Agreement solely in its capacity as the Court-appointed receiver, without security, of the Property and all of the assets and undertakings of the Debtor acquired for or used in relation to the Debtor's operations at the Property, and not in its personal, corporate or any other capacity. Any claim against the Receiver shall be subject to the Appointment Order and limited to and only enforceable against the assets, undertakings and properties then held by or available to it in its said capacity and shall not apply to its personal property and/or any assets held by it in any other capacity. The Vendor shall have no personal or corporate liability of any kind, whether in contract or in tort or otherwise. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Property.

9. Adjustments

The Purchase Price for the Property shall be adjusted as of the Closing Date in respect of realty taxes, flat/fixed water and sewer rates and charges, utility deposits, if any, and all other items usually adjusted with respect to properties similar to the Property that apply, save and except for rent or any matters related to the Lease(s), if any. Such adjustments shall be pro-rated where appropriate for the relevant period on the basis of the actual number of days elapsed during such period to the Closing Date itself to be apportioned to the Purchaser. There shall be no adjustment in respect of (a) prepaid rents, or, (b) rent or other moneys payable to the Vendor under the Lease(s), if any, in respect of periods prior to the Closing which remain unpaid as at Closing

10. Termination of Agreement

Notwithstanding anything to the contrary contained in this Agreement, if at any time or times prior to the Closing Date, the Vendor is unable to complete this Agreement as a result of any action taken by an encumbrancer, any action taken by the present registered owner, the refusal by the present registered owner, to take any action, the exercise of any right by the present registered owner or other party which is not terminated upon acceptance of this Agreement, a certificate of pending litigation is registered against the

 ^{OS}
MW

Property, a court judgment or order is made, or, if the Purchaser submits valid title requisition which the Vendor is unable or unwilling to satisfy prior to Closing, or if the sale of the Property is restrained at any time by a court of competent jurisdiction, the Vendor may, in its sole and unfettered discretion, elect by written notice to the Purchaser, to terminate this Agreement, whereupon the Deposit and any interest earned thereon shall be returned to the Purchaser in accordance with Section 4(c) hereof, and neither party shall have any further rights or liabilities hereunder.

The obligation of the Vendor to complete the Agreement is subject to the satisfaction of the following terms and conditions on or prior to the Closing Date, which conditions are for the sole benefit of the Vendor and which may be waived by the Vendor in its sole discretion:

- (a) the representations and warranties of the Purchaser herein being true and accurate as of the Closing Date;
- (b) no action or proceeding at law or in equity shall be pending or threatened by any person, firm, government, government authority, regulatory body or agency to enjoin, restrict or prohibit the purchase and sale of the Property;
- (c) the Property shall not have been removed from the control of the Vendor by any means or process;
- (d) no party shall take any action to redeem the Property; and
- (e) the Court shall have granted Approval of this Agreement and shall have granted the Vesting Order.

11. Purchaser's Acknowledgements

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

- (a) it is responsible for conducting its own due diligence, searches and investigations of the current and past uses of the Property;
- (b) the Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Property is or will be lawful or permitted;
- (c) it is satisfied with the Property and all matters and things connected therewith or in any way related thereto;
- (d) it is relying entirely upon its own due diligence, investigations and inspections in entering into this Agreement;



- 7 -

- (e) it is purchasing the Property on an "as is, where is" and "without recourse" basis including, without limitation, outstanding work orders, deficiency notices, compliance, requests, development fees, imposts, lot levies, sewer charges, zoning and building code violations and any outstanding requirements which have been or may be issued by any governmental authority having jurisdiction over the Property;
- (f) it relies entirely on its own due diligence, judgment, inspection and investigation of the Property and acknowledges that any documentation relating to the Property obtained from the Vendor has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Offer;
- (g) it will provide the Vendor with all requisite information and materials, including proof respecting source or funds, at any time or times within forty-eight (48) hours of any such request by the Vendor so that the Vendor may determine the creditworthiness of the Purchaser and any related parties thereto;
- (h) the Vendor shall have no liability or obligation with respect to the value, state or condition of the Property, whether or not the matter is within the knowledge or imputed knowledge or the Vendor, its officers, employees, directors, agents, representations and contractors;
- (i) the Vendor has made no representations or warranties with respect to or in any way related to the Property, including without limitation, the following: (i) the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Property, either stated or implied; and (ii) the environmental state of the Property, the existence, nature, kind, state or identity of any Hazardous Substances on, under, or about the Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law now in existence, or the state, nature, kind, identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Substances whether on, under or about the Property or elsewhere;
- (j) the Material Documents are being provided to the Purchaser merely as a courtesy and without any representations or warranties whatsoever; and

J.L.

02
MUN

(k) it will ensure that any environmental and/or structural reports on behalf of the Purchaser shall also be addressed to the Vendor and a copy of each such report shall be delivered to the Vendor promptly after the completion thereof, regardless of whether the transaction contemplated by this Offer closes. If for any reason such transaction is not consummated, the Purchaser agrees to deliver promptly to the Vendor any and all reports and other data pertaining to the Property and any inspections or examinations conducted hereunder.

(l) The Purchaser acknowledges that the property lies within, partially within, adjacent to or within two kilometers of an area zoned, used or identified for agricultural and food production activities and that such activities occur in the area. These activities may include intensive operations that cause discomfort and inconveniences that involve, but are not limited to dust, noise, flies, light, odor, smoke, traffic, vibration, operating of machinery during any 24 hour period, storage and utilization of manure and the application by spraying or otherwise of chemical fertilizers, soil amendments, herbicides and pesticides. One or more of these inconveniences have protection in Ontario under the *Farming and Food Production Protection Act*.

(m) The Purchaser understands and acknowledges that the Purchaser is taking title to the real property knowing that the property tax rate may be based in part on a calculation of a property class that will not apply to the Purchaser on completion. The Purchaser further acknowledges that the Purchaser will have to make application to qualify for the Farmland Class tax rate defined under the *Assessment Act of Ontario, Regulation 282, 1998, Ontario Fair Assessment System* and if the property does not qualify for the Farmland Class tax rate, the Purchaser's property tax rate may be substantially higher than the current rates that may or may not apply to the property at this time.

BOTH THE BUYER AND SELLER (BY) 12. Title to the Property

ns
MW

BY IS UNDER \$1000 BY
The Vendor will continue to market the
property and the Purchaser will accept 15 days
notice to vacate conditional on the title
being in good and free from all restrictions, charges
except as provided in this
Agreement.

Upon Closing, title to the Property shall be good and free from all restrictions, charges, liens, claims and encumbrances, except as otherwise specifically provided in this Agreement, and save and except for:

- (a) any reservations, restrictions, rights of way, easements or covenants that run with the land;
- (b) any registered agreements with a municipality, region or supplier of utility service including, without limitations, electricity, water, sewage, gas, telephone or cable television or other telecommunication services;
- (c) all laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Property;

M

ns
MW

- (d) any minor easements for the supply of utility services or other services to the Lands or Buildings, if any, or adjacent properties;
- (e) encroachments disclosed by any error or omission in existing surveys of the Lands or neighbouring properties and any title defects, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the Lands and survey of the Lands and survey matters generally;
- (f) the exceptions and qualifications set forth in the *Registry Act* (Ontario) or the *Land Titles Act* (Ontario), or amendments thereto;
- (g) any reservation(s) contained in the original grant from Crown;
- (h) the Lease(s), if any, and the right of any tenant, occupant, lessee or licensee to remove fixed equipment or other fixtures;
- (i) subsection 44(1) of the *Land Titles Act* (Ontario) except paragraphs 11 and 14;
- (j) provincial succession duties and escheats or forfeiture to the Crown;
- (k) the rights of any person who would, but for the *Land Titles Act* (Ontario) be entitled to the Lands or any part of it through length of adverse possession, prescription, misdescription or boundaries settled by convention;
- (l) any lease to which subsection 70(2) of the *Registry Act* (Ontario) applies; and
- (m) those registrations set out in Schedule "C" attached hereto.

Notwithstanding the foregoing, the Vesting Order shall provide for the deletion of the instruments or registrations listed in Schedule "B" attached hereto, and for the deletion of any filings under the *Personal Property Security Act* (Ontario), as they affect the Property.

13. Authorizations

The Purchaser shall assume, at its cost, complete responsibility for compliance with all municipal, provincial and federal laws insofar as the same apply to the Property and the use thereof by the Purchaser. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Vendor's right, title and interest, if any, in the Property.

ACT



14. Requisition Period

The Purchaser shall be allowed *five (5)* business days from the date of waiver of the Purchaser's Conditions, or shall be allowed until 5:00 o'clock p.m. (Ottawa time) on *December 18th, 2020*, if there are no Purchaser Conditions, to investigate the title to the Property and to satisfy itself that all present uses are the legal uses thereof or legal nonconforming uses which may be continued and that the Property may be insured against usual insurable risks, at the Purchaser's own expense.

If within such time the Purchaser shall furnish the Vendor in writing with any valid objection to title to the Property, which the Vendor is unable or unwilling to remove, remedy or satisfy and which the Purchaser will not waive, then the Agreement shall be terminated, the Deposit and any interest earned thereon shall be returned to the Purchaser in accordance with Section 4(c) hereof and neither party shall have any further rights or liabilities hereunder. Save as to any valid objection made as aforesaid or which the law allows to be made and is made after expiry of the aforesaid period, the Purchaser shall be conclusively deemed to have accepted the title to the Property to be vested in the Purchaser on Closing in accordance with the Agreement, and to have accepted the Property subject to all applicable laws, by-laws, regulations, easements and covenants affecting its use and the Purchaser shall assume responsibility from and after the Closing Date for compliance therewith. The Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the Lands, except as are in the control or possession of the Vendor. The Vendor shall not be required to produce any other document or report to the Purchaser, unless it is expressly provided for by this Agreement and in the control or possession of the Vendor. The description of the Property is believed by the Vendor to be correct but, if any statement, error or omission shall be found in the particulars thereof, the same shall not cancel the sale or entitle the Purchaser to be relieved of any obligation hereunder, nor shall any compensation be allowed to the Purchaser in respect thereof.

15. Leases

The Purchaser acknowledges and agrees that:

- (a) the Property may be subject to Lease(s);
- (b) the Vendor makes no representation or warranty respecting the accuracy and completeness of any Lease(s), if any;
- (c) the Purchaser will purchase the Property subject to the terms and conditions of the Lease(s), if any, without representation or warranty (whether expressed or implied) of any kind or type from the Vendor relating to the Leases, including without limitation, (i) the enforceability of same (ii) whether the Leases accurately reflect the correct arrangement



with the tenant(s) (iii) whether the tenants are in possession thereunder and/or paying rents in accordance thereof (iv) whether there are any ongoing unresolved disputes relating to the provisions of the Lease(s) or any parties' obligations thereunder and (v) whether any party or parties to the Lease(s) is or are in default of any obligations contained therein;

- (d) the Vendor shall not be required to make any adjustments to the Purchase Price for current rentals or prepaid rents or security deposits which may have been received by the Vendor or any other party;
- (e) the Vendor shall not be required to produce acknowledgements from the tenant(s) respecting the status of the Lease(s), if any; and
- (f) the Vendor is not required to deliver vacant possession, nor does it represent or warrant that it can deliver vacant possession.

The Vendor will execute and deliver or cause to be executed and delivered to the Purchaser on the Closing Date an assignment of any interest which the Vendor may have in the Lease(s).

16. Risk of Loss

All buildings on the Property and all other things being purchased shall be and remain until completion at the risk of the Vendor.

The Property shall thereafter be at the risk of the Purchaser. Pending completion, the Vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interest may appear and in the event of substantial damage to the Property before the completion of the Agreement which damage gives rise to any insurance proceeds, the Purchaser may either terminate this Agreement and have the Deposit returned without interest or deduction or else take the proceeds of insurance and complete the transaction. Where any damage is not substantial, the Purchaser shall be obliged to complete the Agreement and be entitled to the proceeds of insurance referenced to such damage. The Purchaser agrees that all the insurance maintained by the Vendor shall be cancelled on the Closing Date and that the Purchaser shall be responsible for placing its own insurance thereafter.

17. Planning Act

This Agreement is subject to the express condition that if the provisions of Section 50 of the *Planning Act* (Ontario) apply to the sale and purchase of the Lands, then this Agreement shall be effective to create an interest in the Lands only if such provision is complied with.

 DS
MW

18. Harmonized Sales Tax

The Purchaser hereby represents and warrants to the Vendor that it is or will become registered for the purposes of Part IX of the *Excise Tax Act* (Canada) in accordance with the requirements of Subdivision (d) of Division V thereof and it will continue to be so registered as of the Closing Date. The Purchaser covenants to deliver to the Vendor drafts not less than five (5) Business Days before the Closing Date and originals upon Closing of: (i) a notarial copy of the certificate evidencing its registration for purposes of the goods and services tax / harmonized sales tax ("HST"), including the registration number assigned to it; and (ii) a declaration and indemnity of the Purchaser confirming the accuracy, as at Closing, of the representations and warranties set out herein and agreeing to indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay the HST payable in respect of the sale of the Property under Part IX of the *Excise Tax Act* (Canada) and that the Purchaser is buying for its own account and not as trustee or agent for any other party. Provided that the Purchaser delivers a notarial copy of the certificate and the declaration and indemnity as set out above, the Purchaser shall not be required to pay to the Vendor, nor shall the Vendor be required to collect from the Purchaser, the HST in respect of the Property. In the event that the Purchaser shall fail to deliver the notarial copy of the certificate and the declaration and indemnity as set out above, then the Purchaser shall pay to the Vendor, in addition to the Purchase Price, in pursuance of the Purchaser's obligation to pay and the Vendor's obligation to collect HST under the provisions of the *Excise Tax Act* (Canada), an amount equal to thirteen (13%) percent of the Purchase Price, or such rate due and owing at the time of Closing.

19. Closing

Closing shall take place on the date which is ten (10) Business Days following the later of the granting of Approval of the Agreement by the Court and issuance of the Vesting Order, or such other date as the parties or their respective solicitors may mutually agree upon in writing (the "Closing Date" or "Closing"). Each party covenants and agrees to proceed expeditiously to complete the transaction of purchase and sale contemplated herein. Provided that the Vendor by written notice to the Purchaser or its solicitors may postpone the Closing Date from time to time, but in no event shall the date of Closing be postponed to a date more than thirty (30) days after original Closing Date. The Vendor and the Purchaser acknowledge that the Teraview Electronic Registration System ("TERS") is operative and mandatory in the Land Titles Division for the Land Registry Office of Ottawa (No. 4). The Purchaser and Vendor shall each retain legal counsel who are authorized TERS users and who are in good standing with The Law Society of Ontario. The Vendor and Purchaser shall each authorize their respective legal counsel to enter into a document registration agreement in the form as adopted by the joint LSUC (LSO)-CBAO Committee of documents and closing funds and the release thereof to the Vendor and Purchaser, as the case may be:

Handwritten initials "AL" and a rectangular stamp containing the initials "MS" with a small "DS" above it.

- 13 -

- (a) shall not occur contemporaneously with the registration of the Transfer/Deed of Land or Application to Register the Vesting Order, and Receiver's certificate required by the Vesting Order (and other registerable documentation, if any) to be registered by the Purchaser's solicitor; and,
- (b) shall be governed by the document registration agreement pursuant to which legal counsel receiving any documents or funds will be required to hold same in escrow and will not be entitled to release except in strict accordance with provisions of the document registration agreement and the Purchaser shall be required to deliver the balance due on closing on the Closing Date to the Vendor's solicitors, to be held in escrow by them, whereupon the Vendor's solicitors shall after payment forthwith attend to have the signed Receiver's Certificate filed with the Court, which signed and entered Receiver's Certificate and Vesting Order shall form part of the Application to Register the Vesting Order, and which shall be delivered by the Vendor's solicitors to the Purchaser's solicitors for immediate registration by the Purchaser's solicitors. Upon registration of the Application to Register the Vesting Order, the Vendor shall release possession of the Property to the Purchaser and the balance due on closing shall be released from escrow.

20. Vendor's Closing Deliveries

The Vendor shall execute and deliver or cause to be executed and delivered to the Purchaser on the Closing Date, against payment of the Purchase Price, the following:

- (a) a statement of adjustments;
- (b) a direction for the payment of the balance of the Purchase Price due on Closing;
- (c) an undertaking by the Vendor to readjust all items on the statement of adjustments within thirty (30) days from the date of Closing on written demand;
- (d) a certificate of the Vendor to the effect that it is not at the Closing Date a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act*;
- (e) a copy of the Vesting Order;
- (f) an assignment of any interest which the Vendor may have in the Lease(s), if any;
- (g) keys that may be in the possession of the Vendor, if any;
- (h) a notice to the tenant(s) under the Lease(s), if any, to pay future rents to the Purchaser, or as the Purchaser may direct;

- (i) copies of all Material Documents, if not already in the possession of the Purchaser; and
- (j) any other documents relative to the completion of this Agreement as may reasonably be required by the Purchaser or its solicitors.

21. Purchaser's Closing Deliveries

The Purchaser shall execute and deliver to the Vendor on the Closing Date the following:

- (a) wire transfer for the balance of the Purchase Price and any other monies required to be paid by the Purchaser pursuant to the Agreement, or the adjustments, including all applicable federal and provincial taxes, duties and registration fees unless the applicable exemption certificates in a form acceptable to the Vendor are presented to the Vendor on or before the Closing Date to exempt the Purchaser therefrom;
- (b) all certificates, indemnities, declarations and other evidences contemplated hereby in form and content satisfactory to the Vendor's solicitors, acting reasonably;
- (c) an undertaking by the Purchaser to readjust all items on the statement of adjustments;
- (d) a notarial copy of its HST registration and HST certificate and indemnity as required pursuant to this Agreement;
- (e) an agreement to assume all existing Leases, if any, service and supply contracts in place as of Closing;
- (f) the indemnities required to be delivered by the Purchaser to the Vendor pursuant to Section 26 hereof;
- (g) the release and discharge required to be delivered by the Purchaser to the Vendor pursuant to Section 27 hereof; and,
- (h) any other documents relative to the completion of this Agreement as may reasonably be required by the Vendor or its solicitors.

22. Inspection

Without limitation, all of the Property shall be as it exists on the Closing Date with no adjustments to be allowed to the Purchaser for changes in conditions or qualities from the date hereof to the Closing Date. The Purchaser acknowledges and agrees that the Vendor is not required to inspect the Property or any part thereof and the Purchaser shall be

deemed, at its own expense to have relied entirely on its own inspection and investigation. The Purchaser acknowledges that no warranties or conditions, expressed or implied, pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.

23. Encroachments

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Lands or Buildings, if any, or encroachments of the Property onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting the Property.

24. Purchaser's Warranties

The Purchaser represents and warrants that:

- (a) if applicable, it is a corporation duly incorporated, organized and subsisting under the laws of Canada, Ontario or another province of Canada;
- (b) if applicable, it has the corporate power and authority to enter into and perform its obligations under the Agreement and all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of the Offer and resulting Agreement and the Offer has been duly executed and delivered by the Purchaser, and the resulting Agreement is enforceable against the Purchaser in accordance with its terms; and
- (c) it is not a non-Canadian for the purpose of the *Investment Canada Act* (Canada) and it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

25. Confidentiality

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

26. Indemnification

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

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

27. Release

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

28. Non-Registration

The Purchaser hereby covenants and agrees not to register this Offer or the Agreement or notice of this Offer or the Agreement or a caution, certificate of pending litigation, or any other document providing evidence of this Offer or the Agreement against title to the Property. Should the Purchaser be in default of its obligations under this Section, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Offer or the Agreement, caution, certificate of pending litigation or other document providing evidence of this Offer or the Agreement or any assignment of this Offer or the Agreement from the title to the Property. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Offer or the Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property.

29. Assignment

Save and except for the completion of this transaction by a company to be incorporated by the Purchaser, the Purchaser shall not have the right to assign its rights under this Agreement without the Vendor's prior written consent, which consent may be unreasonably withheld. Notice of the Purchaser's intention to assign, with the assignee's name and address for service and the assignee's HST number shall be provided to the Vendor not less than seven (7) Business Days prior to the Closing Date.

30. Notices

Any notice to be given or document to be delivered to the parties pursuant to this Agreement shall be sufficient if delivered personally or sent by email or sent by facsimile or mailed by prepaid registered mail at the following addresses:

To Vendor:

MNP LTD.
1600 Carling Avenue, Suite 800
Ottawa, ON

Attention: John Haralovich
Email: john.haralovich@mnp.ca
Fax: (613) 691-4262

with a copy to (which shall not constitute notice):

Merovitz-Potechin
Barristers & Solicitors

*National
Capital
Law*

[Signature] ^{US}
[Initials]

1565 Carling Avenue
Suite 300
Ottawa, Ontario
K1Z 8R1

Attention: Robert De Toni
Email: ~~rob@ottawacourt.com~~ *comp rob@nationalcapital.law.com*
Fax: 613-563-4577

and in the case of a notice to the Purchaser, to:

Marc Wray

2892 Presqu'île Ch, Lefevre, ON K0B 1J0

Email: versevelduk@gmail.com

Fax:

with a copy to the Purchaser's solicitors:

Email:

Fax:

Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or sent by email or sent by facsimile or, if mailed, three (3) Business Days after the deposit with the post office.

31. Entire Agreement

The Agreement shall constitute the entire agreement between the parties to it pertaining to the subject matter thereof and shall supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there shall be no agreements or understandings between the parties in connection with the subject matter thereof except as specifically set forth herein. No party hereto has relied on any express or implied representation, written or oral, of any individual or entity as an inducement to enter into the Agreement.



32. Amendment

No supplement, modification, waiver or termination of the Agreement shall be binding, unless executed in writing by the parties to be bound thereby, provided that the time provided for doing any matter or thing contemplated herein may be abridged or extended by written agreement, in letter form or otherwise, executed by the duly authorized solicitors for the parties.

33. Time of Essence

Time shall be of the essence in this Agreement in all respects and any waiver of any time provision shall not be effective unless in writing and signed by both parties.

34. Binding Agreement

This Offer, when accepted, shall constitute a binding agreement of purchase and sale subject to its terms. It is agreed that there is no representation, warranty, collateral agreement or condition affecting the Agreement or the Property supported hereby other than as expressed herein in writing.

35. Governing Law

This Offer and the Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

36. Gender. Interpretive Matters

This Offer and the Agreement shall be read with all changes of gender or number required by the context. The titles to provisions do not form part of this Offer or the Agreement and are inserted for reference purposes only. Preparation and submission of the form of this Offer or any other material by the Vendor shall not constitute an offer to sell.

37. Severability

Any provision of this Agreement which is determined to be void, prohibited or unenforceable shall be severable to the extent of such avoidance, prohibition or unenforceability without invalidating or otherwise limiting or impairing the other provisions of this Agreement.

Handwritten signature

DS
MW

38. Non-Merger

The provisions of this Agreement (including, without limitation, the representations and warranties of the Purchaser), shall survive Closing and shall not merge in the Vesting Order or in any other documents delivered hereunder.

39. Counterparts

The parties hereto agree that this Agreement may be executed in counterparts and by facsimile transmission and each such counterpart so executed by facsimile transmission shall be deemed to be an original and when taken together shall constitute as one and the same Agreement.

40. Contra Proferentum Rule

This Agreement and all Schedules thereto have been drafted with the equal participation of the all parties hereto and the parties hereto hereby acknowledge and agree that the *contra proferentum* rule has no application.

41. Legal Advice

The parties also acknowledge and agree that they have received independent legal advice with respect to the terms and provisions of this Agreement. They further agree and acknowledge that they have freely elected to enter into this Agreement without any form of duress and that they have not been induced to enter into this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Purchaser has executed this Offer this 11th day of September, 2020.

PURCHASER:

By: Marc Wray ^{DocuSigned by:} 9/12/2020
Name: Marc Wray & 6417604
Canada Inc.
Title: President

I have authority to bind the corporation.

Subject to the Approval of the Court, the undersigned hereby accepts the foregoing Offer this 15 day of September, 2020

MNP LTD.

in its capacity as court-appointed receiver,
without security of the Property of the
Debtor and not in its personal or corporate
capacity

Telephone: (613) 691-6262
Fax: (613) 726-9009
E-mail: john.haralovich@mnp.ca

Per:

Name: John Haralovich

Title: SVP

I have authority to bind the Corporation

Offer to Purchase

SCHEDULE "A"

Legal Description of Property

PT N PT LT 35 CON 2 NORTH PLANTAGENET; PT LT 36 CON 2 NORTH
PLANTAGENTET AS IN R35776 EXCEPT PT 1 & 2 46R6438; S/T THE RIGHTS OF
OWNERS OF ADJOINING PARCELS, IF ANY, UNDER R109702, R127949;
ALFRED/PLANTAGENET

PIN 54102-0054 (LT)

Offer to Purchase



SCHEDULE "B"

INSTRUMENTS TO BE DELETED FROM TITLE

PIN 54102-0054

- PT39229
- PT39230
- PT39231
- PT54966

M 

SCHEDULE "C"

REGISTRATIONS TO BE PERMITTED

1. The reservations, limitations, provisions and conditions expressed in the original grant from the Crown and all unregistered rights, interests and privileges in favour of the Crown under or pursuant to any applicable statute or regulation.
2. Any subdivision agreement, development agreement, servicing agreement, site plan agreement or any other agreement, document, regulation, subdivision control by-law or other instrument containing provisions relating to the Lands or the use, development, installation of services and utilities or the erection of buildings or other improvements in or on the Lands.
3. All easements, licenses, rights-of-way, watercourses and rights (and all reference plans with respect thereto), whether registered or unregistered, including without limitation those for access or for the installation and maintenance of public and private utilities and other services including without limitation, telephone lines) hydro-electric lines, gas mains, water mains, sewers and drainage and other services or for the maintenance, repair or replacement of any adjoining building or lands, including any cost sharing agreement relating thereto, or any right of re-entry reserved by a predecessor in title.
4. Any restrictive covenants and building restrictions affecting the Lands.
5. Any defects of title or encroachments by or onto the Lands, whether by gardens, fences, trees, buildings, foundations, or other structures or things, which may be revealed by any survey or reference plan of the Lands, whether now in existence or not.
6. Utility agreements, and other similar agreements with authorities or private or public utilities affecting the Lands.
7. Liens for taxes, local improvements, assessments or governmental charges or levies not at the time due or delinquent.
8. Undetermined, inchoate or statutory liens and charges (including, without limitation, the liens of public utilities, workers, suppliers of materials, contractors, subcontractors, architects and unpaid vendors of moveable property) incidental to any current operations of the Lands which have not been filed pursuant to any legal requirement or which relate to obligations not yet due or delinquent.
9. Zoning restrictions, restrictions on the use of the Lands or minor irregularities in title thereto.
10. The reservations, limitations, conditions and exceptions to title set out in the *Land Titles Act* (Ontario).

 ^{DS}
[MIN]



Amendment to Agreement of Purchase and Sale

Form 120

for use in the Province of Ontario

BETWEEN:

BUYER: Marc Wray & 6417604 Canada Inc. For a Corporation to be Formed

AND

SELLER: MNP LTD as Court-Appointed Receiver without Security of the Property of the Debtor

RE: Agreement of Purchase and Sale between the Seller and Buyer, dated the 11th day of September, 2020

concerning the property known as 3550 Second Concession Road, Wendover, Ontario.

as more particularly described in the aforementioned Agreement.

The Buyer and Seller herein agree to the following amendment(s) to the aforementioned Agreement:

Delete

DELETE

5. Purchaser's Conditions

Notwithstanding anything to the contrary herein contained, the Agreement is conditional to the Purchaser until 5:00 o'clock p.m. (Ottawa time) on December 11th, 2020 (the "Condition Date") and is subject to the Purchaser satisfying itself in its sole, absolute and unfettered discretion with all matters relating to the Property, including without limitation, zoning matters, the Leases, if any, and the suitability and economic viability of the Property for the Purchaser's use, the physical condition of the Property, soil conditions, the environmental condition of the Property and the surrounding real property and the results of its other due diligence tests, inspections and investigations, and upon the receipt of Federal Government Contract Approval for the use of the Buyer's Training Facility (Intended Use of the Subject Property) (collectively, the Purchaser's Conditions")

AMEND

Purchase Price:

The Purchase Price shall be reduced \$35,000.00 [REDACTED]

Completion of this transaction shall be March 1st, 2021.

ADD

The Purchaser agrees to undertake the repair of the roof on the single family (Main) residence situated on the property immediately, or within a reasonable time period thereafter, upon the acceptance of this Amendment. Said repairs are to be completed at the sole expense of the Purchaser and shall be done in a professional, workman-like manner. Further, the Purchaser shall indemnify and save harmless the Seller from and against any and all liabilities, obligations, losses, abatements, damages, costs, expenses or disbursements of any kind or nature relating to the repair of the roof.

INITIALS OF BUYER(S):

DS
MW

INITIALS OF SELLER(S):

[Handwritten Signature]

The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.

© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

IRREVOCABILITY: This Offer to Amend the Agreement shall be irrevocable by Buyer until 5:00 (a.m./p.m.) on the 2nd day of December, 2020, after which time, if not accepted, this Offer to Amend the Agreement shall be null and void.

For the purposes of this Amendment to Agreement, "Buyer" includes purchaser and "Seller" includes vendor. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective solicitors who are hereby expressly appointed in this regard.

All other Terms and Conditions in the aforementioned Agreement to remain the same.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
(Witness) _____ (Buyer/Seller) Marc Wray Canada Inc. 11/30/2020
79BE5443F9B1424... (Seal) (Date)
(Witness) _____ (Buyer/Seller) for a Corporation to be Formed (Seal) (Date)

I, the Undersigned, agree to the above Offer to Amend the Agreement.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
(Witness) _____ (Buyer/Seller) MNP LTD. as Court Appointed Dec 1/2020
(Witness) _____ (Buyer/Seller) Receiver (Seal) (Date)

The undersigned spouse of the Seller hereby consents to the amendment(s) hereinbefore set out.

(Witness) _____ (Spouse) _____ (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at _____ this _____ day of November, 2020 (a.m./p.m.)

(Signature of Seller or Buyer) MNP LTD. as Court Appointed Receiver

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Seller) MNP LTD. as Court Appointed Receiver (Date) _____
(Seller) _____ (Date) _____
Address for Service _____
(Tel. No.) _____
Seller's Lawyer Robert De Toni
Address _____
Email rob@nationalcapitallaw.com
(Tel. No.) _____ (Fax. No.) _____

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer) Marc Wray Canada Inc. 11/30/2020
79BE5443F9B1424... (Date) _____
(Buyer) _____ (Date) _____
Address for Service _____
(Tel. No.) _____
Buyer's Lawyer Alain Bolduc
Address _____
Email _____
(Tel. No.) _____ (Fax. No.) _____

R The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

7



February 19, 2020

John Haralovich
Senior Vice President - MNP
1600 Carling Avenue Suite 800
Ottawa, ON K1Z 1G3
john.haralovich@mp.ca

RE: WENDOVER HORSE FARM

Dear John:

I believe that if we were to sell these items, by auction, they would bring approximately \$20,000.

I have not included all items in the appraisal as some are buried under snow and a few items are not worth trucking to our location.

We could pick up some items anytime you would like but some are buried in snow and it would be better to wait for a while.

If you require further information, please do not hesitate to call me.

Yours truly,

A handwritten signature in black ink, appearing to read "Hunter McCaig".

Hunter McCaig
Manager

INVENTORY

- Post pounder
- Posthole auger
- Horse turnstile
- Hay rack and wagon
- Mahindra tractor and loader
- Belarus tractor
- Snow blower
- Ring leveler
- Pallet forks
- Dump cart & water tank
- Elevator
- Sprayer
- Ferguson tractor
- Manure spreader
- Grain drill

8



Ontario Search Results
ID 1799252
Search Type [IN] Individual Non-Specific

SECURITY IS EVERYTHING

Phone: (416) 225-5511

Liens : 2 Pages : 8

Searched :19JAN2021 10:37 AM

Printed :19JAN2021 11:37 AM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/19/2021
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 10:37:10
 ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 8
 FILE CURRENCY : 18JAN 2021
 SEARCH : IN : SIAN;FERNANDEZ THOMAS

00 FILE NUMBER : 753756084 EXPIRY DATE : 26JUL 2021 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20190726 0925 5076 2437 REG TYP: P PPSA REG PERIOD: 02
 02 IND DOB : 12MAY1967 IND NAME: SIAN FERNANDEZ THOMAS
 03 BUS NAME:

OCN :

04 ADDRESS : 3550 2ND CONCESSION ROAD
 CITY : WENDOVER PROV: ON POSTAL CODE: K0A 3K0
 05 IND DOB : 27APR1975 IND NAME: SANTIAGO SARAIVIA
 06 BUS NAME:

OCN :

07 ADDRESS : 3550 2ND CONCESSION ROAD
 CITY : WENDOVER PROV: ON POSTAL CODE: K0A 3K0

08 SECURED PARTY/LIEN CLAIMANT :
 THE LCRC TRUST

09 ADDRESS : 51 ENCLAVE PLACE
 CITY : CHATHAM PROV: ON POSTAL CODE: N7L 5R8
 CONS. MV DATE OF OR NO FIXED
 10 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: MEROVITZ POTECHIN LLP (16149 RDT)

17 ADDRESS : 300 - 1565 CARLING AVENUE

CITY : OTTAWA PROV: ON POSTAL CODE: K1Z 8R1

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/19/2021
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 10:37:13
 ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 2 OF 8
 FILE CURRENCY : 18JAN 2021
 SEARCH : IN : SIAN;FERNANDEZ THOMAS

00 FILE NUMBER : 753756084 EXPIRY DATE : 26JUL 2021 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20190726 0925 5076 2437 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 THE MRJK TRUST

09 ADDRESS : 22 HARVEST CRESCENT
 CITY : CHATHAM

PROV: ON POSTAL CODE: N7M 5C3
 MV DATE OF OR NO FIXED

GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/19/2021
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 10:37:16
 ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 3 OF 8
 FILE CURRENCY : 18JAN 2021
 SEARCH : IN : SIAN;FERNANDEZ THOMAS

00 FILE NUMBER : 753756084 EXPIRY DATE : 26JUL 2021 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20190726 0925 5076 2437 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 MICHAEL CADOTTE

09 ADDRESS : 51 ENCLAVE PLACE
 CITY : CHATHAM PROV: ON POSTAL CODE: N7L 5R8

CONS.	GOODS	INVTY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	DATE OF	OR NO	FIXED
								MATURITY		MAT DATE

10 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/19/2021
 CCCL204 DISPLAY 2C REGISTRATION - SCREEN 1 10:37:25
 ACCOUNT : 009233-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 6 OF 8
 FILE CURRENCY : 18JAN 2021
 SEARCH : IN : SIAN;FERNANDEZ THOMAS

FILE NUMBER 754639929
 PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 3 MV SCHED: 20191209 1502 5076 2454
 21 REFERENCE FILE NUMBER : 754639929
 22 AMEND PAGE: NO PAGE: CHANGE: D ASSGNMT REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME: SANTIAGO SARAVIA
 24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE:

04/07 ADDRESS: OCN:
 CITY: PROV: POSTAL CODE:

29 ASSIGNOR:
 MAINSTREET CREDIT UNION LIMITED
 08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :
 THE LCRC TRUST

09 ADDRESS : 51 ENCLAVE PLACE
 CITY : CHATHAM PROV : ON POSTAL CODE : N7L 5R8
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10
 11
 12
 13
 14
 15

16 NAME : MEROVITZ POTECHIN LLP (TJG 16149)
 17 ADDRESS : 300 - 1565 CARLING AVENUE
 CITY : OTTAWA PROV : ON POSTAL CODE : K1Z 8R1

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/19/2021
 CCCL204 DISPLAY 2C REGISTRATION - SCREEN 1 10:37:31
 ACCOUNT : 009233-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 8 OF 8
 FILE CURRENCY : 18JAN 2021
 SEARCH : IN : SIAN;FERNANDEZ THOMAS

FILE NUMBER 754639929
 PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 003 OF 3 MV SCHED: 20191209 1502 5076 2454
 21 REFERENCE FILE NUMBER : 754639929
 22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE:

OCN:
 04/07 ADDRESS:
 CITY: PROV: POSTAL CODE:

29 ASSIGNOR:
 MAINSTREET CREDIT UNION LIMITED
 08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :
 MICHAEL CADOTTE

09 ADDRESS : 51 ENCLAVE PLACE
 CITY : CHATHAM PROV : ON POSTAL CODE : N7L 5R8
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10
 11
 12
 13
 14
 15

16 NAME :
 17 ADDRESS :
 CITY : PROV : POSTAL CODE :

END OF REPORT



Ontario Search Results

ID 1799253

Search Type [IN] Individual Non-Specific

SECURITY IS EVERYTHING

Phone: (416) 225-5511

Liens : 2 Pages : 8

Searched :19JAN2021 10:41 AM

Printed :19JAN2021 11:40 AM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/19/2021
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 10:40:24
 ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 8
 FILE CURRENCY : 18JAN 2021
 SEARCH : IN : SANTIAGO;SARAVIA

00 FILE NUMBER : 754639929 EXPIRY DATE : 21AUG 2022 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20190821 1511 5076 2439 REG TYP: P PPSA REG PERIOD: 03
 02 IND DOB : 12MAY1967 IND NAME: SIAN FERNANDEZ THOMAS
 03 BUS NAME:

04 ADDRESS : 3550 2ND CONCESSION ROAD OCN :
 CITY : WENDOVER PROV: ON POSTAL CODE: K0A 3K0
 05 IND DOB : 14MAY1967 IND NAME: SANTIAGO SARAVIA
 06 BUS NAME:

07 ADDRESS : 3550 2ND CONCESSION ROAD OCN :
 CITY : WENDOVER PROV: ON POSTAL CODE: K0A 3K0
 08 SECURED PARTY/LIEN CLAIMANT :
 MAINSTREET CREDIT UNION LIMITED

09 ADDRESS : 40 KEIL DRIVE S.
 CITY : CHATHAM PROV: ON POSTAL CODE: N7M 3G8
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X X
 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: MEROVITZ POTECHIN LLP (16149 TJG)

17 ADDRESS : 300 - 1565 CARLING AVENUE

CITY : OTTAWA PROV: ON POSTAL CODE: K1Z 8R1

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/19/2021
 CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 10:40:29
 ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 3 OF 8
 FILE CURRENCY : 18JAN 2021
 SEARCH : IN : SANTIAGO;SARAVIA

FILE NUMBER 754639929

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 3 MV SCHED: 20191209 1502 5076 2454
 21 REFERENCE FILE NUMBER : 754639929
 22 AMEND PAGE: NO PAGE: CHANGE: D ASSGNMT REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME: SANTIAGO SARAVIA
 24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:
 CITY: PROV: POSTAL CODE:

29 ASSIGNOR:
 MAINSTREET CREDIT UNION LIMITED
 08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :
 THE LCRC TRUST

09 ADDRESS : 51 ENCLAVE PLACE
 CITY : CHATHAM PROV : ON POSTAL CODE : N7L 5R8
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10
 11
 12
 13
 14
 15

16 NAME : MEROVITZ POTECHIN LLP (TJG 16149)
 17 ADDRESS : 300 - 1565 CARLING AVENUE
 CITY : OTTAWA PROV : ON POSTAL CODE : K1Z 8R1

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/19/2021
 CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 10:40:32
 ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 4 OF 8
 FILE CURRENCY : 18JAN 2021
 SEARCH : IN : SANTIAGO;SARAVIA

FILE NUMBER 754639929

	PAGE	TOT	REGISTRATION NUM	REG TYPE
01 CAUTION :	002 OF 3	MV SCHED:	20191209 1502 5076 2454	
21 REFERENCE FILE NUMBER :	754639929			
22 AMEND PAGE:	NO PAGE:	CHANGE:	REN YEARS:	CORR PER:
23 REFERENCE DEBTOR/	IND NAME:			
24 TRANSFEROR:	BUS NAME:			

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

MAINSTREET CREDIT UNION LIMITED

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

THE MRJK TRUST

09 ADDRESS : 22 HARVEST CRESCENT

CITY : CHATHAM

PROV : ON

POSTAL CODE : N7M 5C3

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

10
11
12
13
14
15

16 NAME :

17 ADDRESS :

CITY :

PROV :

POSTAL CODE :

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/19/2021
 CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 10:40:35
 ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 5 OF 8
 FILE CURRENCY : 18JAN 2021
 SEARCH : IN : SANTIAGO;SARAVIA

FILE NUMBER 754639929
 PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 003 OF 3 MV SCHED: 20191209 1502 5076 2454
 21 REFERENCE FILE NUMBER : 754639929
 22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE:

04/07 ADDRESS: OCN:
 CITY: PROV: POSTAL CODE:

29 ASSIGNOR:
 MAINSTREET CREDIT UNION LIMITED
 08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :
 MICHAEL CADOTTE

09 ADDRESS : 51 ENCLAVE PLACE
 CITY : CHATHAM PROV : ON POSTAL CODE : N7L 5R8
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10
 11
 12
 13
 14
 15

16 NAME :
 17 ADDRESS :
 CITY : PROV : POSTAL CODE :

9

**CERTIFICATE OF TREASURER
CANTON D'ALFRED/PLANTAGENET TOWNSHIP**



Certificate No.: 4175
Date : January 25, 2021
File Reference No : 13-144-012

Lawyer: ROBERT A. LEWIS PROFESSIONAL CORPORATION
40-2450 LANCASTER RD

OTTAWA ON K1B 5N3

Roll: 0231 020 00211400.0000
Property: :: NORTH PLANTAGENET CON 2 PT; ::
LOTS 35 AND 36;

Requested by: ROBERT A. LEWIS

Location: 3550 PLANTAGENET CONCE
Owner: FERNANDEZ, THOMAS SIAN
SARAVIA, SANTIAGO

STATEMENT OF ARREARS OF TAXES (MUNICIPAL ACT S.O. 2001, c.25 s.352)

YEAR	TAXES LEVIED	TAXES OUTSTANDING	INTEREST OUTSTANDING	TOTAL
2018 & Prior.:		5023.67	1855.20	6878.87
2019:	9653.78	9653.78	2358.28	12012.06
2020:	10401.07	10411.71	709.88	11121.59
Total		25089.16	4923.36	30012.52

CURRENT TAX CERTIFICATE (MUNICIPAL ACT S.O. 2001, c.25 s.352)

INSTALLMENT	EFFECTIVE	TAXES LEVIED	TAXES OUTSTANDING	TAXES PAST DUE
Penalty			0.00	0.00
Credit				
Misc. Charges			0.00	0.00
Total		0.00	0.00	0.00

TOTAL PAST DUE **30012.52**

NO AREA CHARGES AND OTHER ADJUSTMENT CHARGES

NO LOCAL IMPROVEMENTS

I hereby certify that the above statements respectively show all arrears of taxes returned to this office and due and owing against the above lands.

Deputy-Treasurer/Treasurer

Notes : AS PER SECTION 341(2) OF THE MUNICIPAL ACT 2001 PROPERTY TAXES STAY WITH THE PROPERTY. ANY CREDIT OR BALANCE DUE TO ARB DECISIONS, SECTION 357, SUPPLEMENTARY TAXES WILL BE THE RESPONSIBILITY OF THE NEW OWNER. MUNICIPAL DRAIN WILL BE ADDED TO TAXES.

10



Ontario ServiceOntario

LAND REGISTRY OFFICE #46

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 3
PREPARED FOR RLEWIS01
ON 2021/01/18 AT 17:58:38

54102-0054 (LT)

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

PROPERTY DESCRIPTION: PT N PT LT 35 CON 2 NORTH PLANTAGENET; PT LT 36 CON 2 NORTH PLANTAGENET AS IN R35776 EXCEPT PT 1 & 2 46R6438; S/T THE RIGHTS OF OWNERS OF ADJOINING PARCELS, IF ANY, UNDER R109702 & R127949; ALFRED/PLANTAGENET; SUBJECT TO AN EASEMENT IN GROSS OVER PT 3 46R7952 AS IN PT52926

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

FIN CREATION DATE:
2009/11/23

OWNERS' NAMES
FERNANDEZ THOMAS, SIAN
SARAVIA, SANTIAGO

CAPACITY SHARE
TCOM AS 89.083%
TCOM AS 10.917%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2009/11/20 **					
**SUBJECT,	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**	SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO	LAND TITLES: 2009/11/23 **					
R35776	1977/06/13	TRANSFER		*** COMPLETELY DELETED ***	SCHINKE, WOLFGANG SCHINKE, BEVERLY	
R50569	1982/11/25	CHARGE		*** COMPLETELY DELETED ***	CONTINENTAL BANK OF CANADA	
PT13999	2010/12/22	CHARGE		*** COMPLETELY DELETED *** SCHINKE, BEVERLY SCHINKE, WOLFGANG	THE TORONTO-DOMINION BANK	
PT16480	2011/07/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
REMARKS: R50569.						
PT19586	2012/02/09	TRANSFER	\$950,000	SCHINKE, BEVERLY SCHINKE, WOLFGANG	THOMAS, SIAN FERNANDEZ LOFTS, ROZALIND CLARE	C

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



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #46

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 3
PREPARED FOR Rlewis01
ON 2021/01/18 AT 17:58:38

54102-0054 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
PT19587	2012/02/09	CHARGE		*** COMPLETELY DELETED *** THOMAS, SIAN FERNANDEZ LOFTS, ROZALIND CLARE SARAVIA, SANTIAGO	SARAVIA, SANTIAGO	
PT19588	2012/02/09	CHARGE	\$160,000	THOMAS, SIAN FERNANDEZ LOFTS, ROZALIND CLARE SARAVIA, SANTIAGO	SCHINKE, BEVERLY SCHINKE, WOLFGANG	C
PT20084	2012/03/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
PT30762	2014/06/02	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** MAGENTA MORTGAGE INVESTMENT CORPORATION	MAGENTA CAPITAL CORPORATION MAGENTA MORTGAGE INVESTMENT LIMITED PARTNERSHIP	
PT39169	2016/04/14	TRANSFER	\$95,000	LOFTS, ROZALIND CLARE	THOMAS, SIAN FERNANDEZ	C
PT39170	2016/04/14	APL CH NAME OWNER		THOMAS, SIAN FERNANDEZ	FERNANDEZ THOMAS, SIAN	C
PT39228	2016/04/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** MAGENTA CAPITAL CORPORATION MAGENTA MORTGAGE INVESTMENT LIMITED PARTNERSHIP		
PT39229	2016/04/19	CHARGE	\$700,000	FERNANDEZ THOMAS, SIAN SARAVIA, SANTIAGO	CADOTTE, MICHAEL KAY, STEPHEN CADOTTE, MICHAEL	C
PT39230	2016/04/19	POSTPONEMENT		SCHINKE, BEVERLY SCHINKE, WOLFGANG	CADOTTE, MICHAEL KAY, STEPHEN CADOTTE, MICHAEL	C
PT39231	2016/04/19	TRANSFER OF CHARGE		CADOTTE, MICHAEL KAY, STEPHEN CADOTTE, MICHAEL	MAINSTREET CREDIT UNION LIMITED	C

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



Ontario ServiceOntario

LAND REGISTRY OFFICE #46

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 3 OF 3
PREPARED FOR RLEWIS01
ON 2021/01/18 AT 17:58:38

54102-0054 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
46R7952	2019/05/06	PLAN REFERENCE				
PT52926	2019/07/10	TRANSFER EASEMENT	\$3,250	FERNANDEZ THOMAS, SIAN SARAVIA, SANTIAGO	HYDRO ONE NETWORKS INC.	C
PT54966	2019/12/04	TRANSFER OF CHARGE		MAINSTREET CREDIT UNION LIMITED	CADOTTE, MICHAEL KAY, STEPHEN	C

REMARKS: PT39231.

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

1

1

Properties

PIN 54102 - 0054 LT
Description PT N PT LT 35 CON 2 NORTH PLANTAGENET; PT LT 36 CON 2 NORTH PLANTAGENET AS IN R35776 EXCEPT PT 1 & 2 46R6438; S/T THE RIGHTS OF OWNERS OF ADJOINING PARCELS, IF ANY, UNDER R109702 & R127949; ALFRED/PLANTAGENET
Address 3550 2ND CONCESSION RD
WENDOVER

Source Instruments

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
PT19588	2012 02 09	Charge/Mortgage

Party From(s)

Name SCHINKE, BEVERLY
Address for Service 3560 Second Concession Road
Wendover, Ontario
K0A 3K0

This document is not authorized under Power of Attorney by this party.

Name SCHINKE, WOLFGANG
Address for Service 3560 Second Concession Road
Wendover, Ontario
K0A 3K0

This document is not authorized under Power of Attorney by this party.

Party To(s)

Capacity

Share

Name CADOTTE, MICHAEL
Address for Service 51 Enclave Place
Chatham, Ontario
N7L 5R8
The actual party to is "The LCRC Trust".

Name KAY, STEPHEN
Address for Service 22 Harvest Crescent
Chatham, Ontario
N7L 5C3
The actual party to is "The MRJK Trust".

Name CADOTTE, MICHAEL
Address for Service 51 Enclave Place
Chatham, Ontario
N7L 5R8

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number PT39229 registered on 2016/04/19

Signed By

Maria Pacheco Frias	75 Thames St., PO Box 428 Chatham N7M 5K5	acting for Party From(s)	Signed	2016 04 19
---------------------	-------------------------------------------------	-----------------------------	--------	------------

Tel 519-351-6004
Fax 519-352-4159

I have the authority to sign and register the document on behalf of the Party From(s).

Submitted By

STEPHEN WAKELY LAW OFFICE

75 Thames St., PO Box 428
Chatham
N7M 5K5

2016 04 19

Tel 519-351-6004

Fax 519-352-4159

Fees/Taxes/Payment

Statutory Registration Fee \$62.85

Total Paid \$62.85

File Number

Party From Client File Number :

R5101-16

12



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

January 22, 2021

BY EMAIL

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

Dear Mr. Haralovich

Re: Receivership of Santiago Saravia and Sian Fernandez Thomas

As retained by your office, the court-appointed Receiver for Santiago Saravia ("Saravia") and Sian Fernandez Thomas ("Thomas"), (cumulatively referred to as the "Debtors"), herein is our opinion on the mortgage registered in favour of Michael Cadotte and Stephen Kay against certain real property owned by the Debtors.

We have reviewed the following as submitted by your office:

- (i) Order of Justice S. Gomery dated January 30, 2020;
- (ii) Transfer receipted as PT19586 dated February 9, 2012;
- (iii) General Security Agreement dated March 11, 2016 (the "GSA");
- (iv) Transfer receipted as PT39169 dated April 14, 2016;
- (v) Charge/Mortgage receipted as PT39229 dated April 19, 2016, along with the Schedule of Additional Provisions, and Standard Charge Terms no. 20003 (all three cumulatively referred to as the "Mortgage");
- (vi) Postponement of Interest receipted at PT39230 dated April 19, 2016;
- (vii) Transfer of Charge receipted as PT39231 dated April 19, 2016;
- (viii) Assignment dated August 15, 2019;
- (ix) Without Recourse Agreement dated November 25, 2019;
- (x) Transfer of Charge receipted as PT54966 dated December 4, 2019;
- (xi) Parcel Registers for the Property (defined below) dated May 21, 2019 and January 18, 2021; and

(xii) Personal Property Security Act search results for the Debtors, dated January 19, 2021.

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

(1) Claims and Registrations against the Property

The Debtors are the registered owners of property known municipally as 3550 2nd Concession Road, Wendover, Ontario, bearing the legal description PT N PT LT 35 CON 2 NORTH PLANTAGENET; PT LT 36 CON 2 NORTH PLANTAGENET AS IN R35776 EXCEPT PT 1 & 2 46R6438; S/T THE RIGHTS OF OWNERS OF ADJOINING PARCELS, IF ANY, UNDER R109702 & R127949; ALFRED/PLANTAGENET (the "Property").

A transfer in favour of the Thomas, Saravia and Rozalind Clare Lofts ("Lofts") and was registered on title to the Property on February 9, 2012, bearing registration no. PT19586, from Beverley and Wolfgang Schinke (cumulatively referred to as "Schinke"). Thomas was listed as owing an undivided 55.022% interest; Lofts owing an undivided 34.061% interest; and Saravia the remaining undivided 10.917% interest.

On March 11, 2016, the Debtors executed a GSA in favour of the LCRC Trust, the MRJK Trust and Michael Cadotte ("Cadotte"). Of note, the copy provided was not signed by Saravia, and only sided by Thomas.

On April 14, 2016, a Transfer in favour of Thomas was registered bearing registration no. PT39169, whereby Lofts transferred the entirety of her interest in the Property to him, and stating that Thomas is now listed as owning an undivided 89.083% interest.

A charge in favour of the LCRC Trust, the MRJK Trust and Cadotte was registered against title to the Property on April 19, 2016, with the face value of \$700,000, bearing registration no. PT39229. This registration is included in the Mortgage as defined above. The LCRC Trust was the listed as owning an undivided 28.58% interest, the MRJK Trust owing an undivided 35.71% interest, and Cadotte owning an undivided 35.71%.

On the same date, April 19, 2016, a Postponement of Interest was immediately registered and bearing registration no. PT39230. This Postponement of Interest lists Schinke as mortgage holders via mortgage registered as PT19588, and postpones the Schinkes' rights under PT19588 to the rights under the Mortgage in favour of LCRC Trust, MRJK Trust and Cadotte.

Also on the same date, April 19, 2016 a Transfer of Charge receipted as PT39231 was registered, stating that the LCRC Trust, MRJK Trust and Cadotte transferred the

Mortgage to Mainstreet Credit Union Limited ("Mainstreet"), and the transfer was done for \$700,000.

Over three years later, an Assignment was entered into dated August 15, 2019, wherein the LCRC Trust, the MRJK Trust and Cadotte assigned the GSA to Mainstreet. A Without Recourse Agreement was then entered into and dated November 25, 2019, wherein Mainstreet assigned the GSA back to the LCRC Trust, the MRJK Trust and Cadotte.

A Transfer of Charge, receipted as PT54966 and dated December 4, 2019, indicates that Mainstreet then also transferred the Mortgage back to Cadotte and Stephen Kay ("Kay"), for a transfer charge of \$1.00.

(2) Commentary on the Mortgage

The Mortgage, including its ancillary documents as defined above, appears to be, in all respects, a legal, valid and binding obligation upon both the Debtors and the mortgage holders Cadotte and Kay.

It is our opinion that the Mortgage is a valid registered and enforceable interest against the Property, subject to the provisions set out in the accompany ancillary documents forming part of the defined Mortgage.

The Mortgage also ranks in priority in all respects ahead of the prior mortgage in favour of the Schinkes.

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

Based upon our review of searches under the *Personal Property Security Act* (the "Act"), only the LCRC Trust, the MRJK Trust and Cadotte, have registered financing change statement(s) under the Act as at January 21, 2021:

(A) Sian Fernandez Thomas:

	Secured Party	Registration No.	Collateral Classification	Description
1	The LCRC Trust, the MRJK Trust and Michael Cadotte	20190726 0925 5076 2437	Inventory, Equipment, Accounts, Other	

2	Mainstreet Credit Union Limited	20190821 1511 5076 2439	Inventory, Equipment, Accounts, Other	
3	Assignment from Mainstreet to LCRC Trust , MRJK Trust and Michael Cadotte	20191209 1502 5076 2454		

(B) Santiago Saravia:

	Secured Party	Registration No.	Collateral Classification	Description
1	The LCRC Trust, the MRJK Trust and Michael Cadotte	20190726 0925 5076 2437	Inventory, Equipment, Accounts, Other	
2	Mainstreet Credit Union Limited	20190821 1511 5076 2439	Inventory, Equipment, Accounts, Other	
3	Assignment from Mainstreet to LCRC Trust , MRJK Trust and Michael Cadotte	20191209 1502 5076 2454		

I have reviewed the GSA, and also provide the opinion that it is a legal, valid and binding agreement upon the Debtors, assuming a version has been signed by Saravia. The GSA includes many standard terms in the banking industry which are enforceable, legal and binding, and consistent with commercial practice in the lending industry.

I provide no opinion on the quantum of the claim, however upon my review of the GSA which grants a security interest in all forms of property of the Debtors (save for consumer goods), and other ancillary documents as noted above, it our opinion that the claim of the LCRC Trust, the MRJK Trust and Cadotte is a legal, valid and enforceable secured claim against any remaining assets of the Debtors.

(4) Qualifications

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

- (a) Priority claims that may rank ahead of all claims, such as any amounts owing under the *Income Tax Act*, the *Canada Pension Plan Act*, the *Employment Insurance Act*, the *Retail Sales Tax Act* or similar laws and any amendments thereto, and the fees of MNP, are to be paid ahead of the claim(s) of other creditors;
- (b) The approved monetary amount of each proof of claim is subject to your review and assessment, as to whether the amounts are accurate and/or the funds claimed were actually provided to the Debtors, as no opinion is expressed on the accuracy of the amounts claimed;
- (c) I have assumed the genuineness of all signatures (whether on originals or copies of documents), the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as notarial, certified, conformed, photostatic or telecopied copies thereof and the authenticity of the originals of such documents;
- (d) I have assumed that each document is a legal, valid and binding obligation of, and is enforceable in accordance with its terms against each of the parties thereto;
- (e) The enforceability of any document and the rights and remedies set out therein may be limited by general principles of equity and the obligation to act in a reasonable manner, and no opinion is given as to any specific remedy that may be granted, imposed or rendered (including equitable remedies such as those of specific performance and injunction);
- (f) The enforcement of any document is subject to the discretion of a court of competent jurisdiction to impose restrictions on the rights of creditors to enforce immediate payment of amounts stated to be payable on demand;
- (g) A court may not treat as conclusive those certificates and determinations which the documents state are to be so treated;
- (h) A receiver or receiver and manager appointed pursuant to the provisions of any document may, for certain purposes, be treated by a court as being the agent of the secured party and not solely the agent of the debtor (and the secured party may not be deemed to be acting as the agent and attorney of the debtor in making such appointment), notwithstanding any agreement to the contrary;

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

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Paul D'Angelo", with a long horizontal flourish extending to the right.

Paul D'Angelo

/cm

13

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

MAINSTREET CREDIT UNION LIMITED

Plaintiff

-and-

SANTIAGO SARA VIA and SIAN FERNANDEZ THOMAS

Defendants

JUDGMENT

On reading the Statement of Claim in this action and the proof of service of the Statement of Claim on the Defendants, SANTIAGO SARA VIA and SIAN FERNANDEZ THOMAS filed, and the Defendants, SANTIAGO SARA VIA and SIAN FERNANDEZ THOMAS, having been noted in default,

1. **IT IS ORDERED AND ADJUDGED** that the Defendants, SANTIAGO SARA VIA and SIAN FERNANDEZ THOMAS, deliver to the Plaintiff possession of the lands municipally known as 3550 2nd Concession RD, Wendover, ON, K0A 3K0 and more particularly described as follows:

PT N PT LT 35 CON 2 NORTH PLANTAGENET; PT LT 36 CON 2 NORTH PLANTAGENET AS IN R35776 EXCEPT PT 1 & 2 46R6438; S/T THE RIGHTS OF OWNERS OF ADJOINING PARCELS, IF ANY, UNDER R109702 & R127949; ALFRED/ PLANTAGENET.

2. IT IS FURTHER ORDERED AND ADJUDGED that the Defendants, SANTIAGO SARAVIA and SIAN FERNANDEZ THOMAS pay to the Plaintiff the sum of \$825,000.06, plus postjudgment interest at the rate of 15.0% per year from date of Judgment.

3. IT IS FURTHER ORDERED AND ADJUDGED that the Defendants, SANTIAGO SARAVIA and SIAN FERNANDEZ THOMAS pay to the Plaintiff costs the amount of \$1,470,23, plus postjudgment interest at the rate of 3.0% per year from date of Judgment.

Date 13 September 2019 Signed by 

Local Registrar

Address of 161 Elgin Street
court Ottawa ON K2P 2K1
office:

ENTERED AT OTTAWA
INSCRIT A OTTAWA
ON/LE SEP 19 2019
DOCUMENT # 0411
IN BOOK NO. 73-13
AU REGISTRE NO. 73-13

RCP-E 19A (November 1, 2005)

MAINSTREET CREDIT UNION LIMITED
Plaintiff

V. **SANTIAGO SARAVIA et al.**
Defendants

Court File No. CV19-00080684-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at
OTTAWA

JUDGMENT

MEROVITZ POTECHIN LLP
Barristers & Solicitors
300-1565 Carling Avenue
Ottawa, ON K1Z 8R1
Charles L. Merovitz
LSO No. 16300U
Tel: 613-563-7544
Fax: 613-563-4577
Lawyers for the Plaintiff

Box No. 64
(MAT116149)

1. Introduction
2. Methodology
3. Results
4. Discussion
5. Conclusion

14

**MNP LTD., RECEIVER RE:
SANTIAGO SARAVIA AND SIAN FERNANDEZ THOMAS**

**INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JANUARY 30, 2020 TO DECEMBER 31, 2020**

Receipts:

Sale of equipment	\$ 27,216
Sale of horses	2,600
Interest	22
	<u>29,838</u>

Disbursements:

Filing fee	70
License fee	311
Utilities	(320)
Insurance	9,518
Auctioneer expense	5,087
Legal fees	-
Receiver fees and expenses	-
Payment to secured creditor	-
	<u>14,666</u>

Excess of Receipts over Disbursements **\$ 15,172**

A

**EQUESTRIAN FARM
3550 PLANTAGENET SECOND
CONCESSION
ALFRED & PLANTAGENET,
ONTARIO**

PREPARED BY:

**MR. PATRICK D. SCOTT,
B.A.(ECON)
AIC CANDIDATE MEMBER
ROBERT C. RIVINGTON,
B. COMM., AACI, P. APP.
SUPERVISORY APPRAISER**

JANUARY 2016

Our File: 16OTT001

January 18, 2016

Sian Thomas
3550 Plantagenet Concession 2
Wendover, Ontario K0A 3K0

**RE: Narrative Appraisal Report of 3550 Plantagenet Second
Concession, Alfred & Plantagenet Township, Ontario**

In accordance with your recent instructions, we have completed a narrative appraisal report of the above-noted property in order to provide you with an estimate of the market value of the Fee Simple interest.

The effective date of valuation is January 11, 2016. This is the only date on which the market value estimate is considered to be valid. The date of the report is January 18, 2016.

Based on our investigations and analysis, the market value of the Fee Simple interest in the subject property is estimated to be:

**ONE MILLION DOLLARS
(\$1,000,000)**

Based on current market conditions, a marketing period of between 6 – 8 months is estimated for the subject property. The market value estimate assumes the property will sell following proper marketing and publicity. In the case of the subject, it is presumed that this exposure time has preceded the effective date of the appraisal report.

No environmental and soil tests were provided for the subject in order to determine if any contamination was on site and if the load-bearing capabilities of the site are adequate for development. No obvious indications of environmental concerns were noted by the appraiser during the inspection. A detailed soil analysis, by a qualified professional, would be required to make a definitive determination as the appraiser is not expert in these matters. If the site were found to be deficient in load-bearing capabilities or to have contaminants present, the value would have to be adjusted.

The report is only valid when it bears the original signature of the author and the reviewing appraiser. The report containing the analysis and conclusions on which the final value estimate is based is as follows.

This report has been prepared for you and your associates for your personal information and guidance. Neither the name of the Company nor the material submitted may be included in any prospectus, newspaper publicity or used in offerings or representations in connection with the sale of securities or participation interests to the public, without the prior written consent of the Company. The report is only valid when it bears the original signature of the authors.

Should you have any questions regarding this report, please do not hesitate to contact the undersigned.

Respectfully submitted,

Patrick D. Scott, B.A.(Econ)
AIC Candidate Member

Robert C. Rivington, B. Comm., AACI, P.App.
Supervisory Appraiser

SUBJECT AERIAL PHOTOGRAPH



TABLE OF CONTENTS

LETTER OF TRANSMITTAL
SUBJECT PHOTOGRAPHS
TABLE OF CONTENTS

INTRODUCTION	1
SUMMARY OF FACTS AND CONCLUSIONS.....	1
TERMS OF REFERENCE	2
FACTUAL DATA.....	6
TITLE AND ASSESSMENT INFORMATION	6
AREA MAP	7
AREA AND NEIGHBOURHOOD ANALYSIS	8
NEIGHBOURHOOD MAP.....	9
SITE DATA – Home Farm.....	10
GEOWAREHOUSE SKETCH - Home Farm	13
DESCRIPTION OF IMPROVEMENTS – Home Farm.....	14
ANALYSIS AND CONCLUSIONS	27
HIGHEST AND BEST USE	27
VALUATION PROCESS/APPRAISAL PROCEDURE	28
DIRECT COMPARISON APPROACH	29
SALES COMPARISON MAP	35
ANALYSIS OF COMPARABLE SALES	36
ADDENDA.....	42
STATEMENT OF LIMITING CONDITIONS.....	I
APPRAISER’S CERTIFICATION	IV
APPRAISER QUALIFICATIONS.....	V
ZONING EXCERPTS	VII

**INTRODUCTION
SUMMARY OF FACTS AND CONCLUSIONS**

REFERENCE NUMBER: 16OTT001

PROPERTY OWNER: Sian Thomas, Rozalind Lofts, Santiago Saravia

NAME OF CLIENT: Sian Thomas

INTENDED USER: Expert Mortgage

TYPE OF PROPERTY: Equestrian Farm

HOME FARM: 3550 Plantagenet Second Concession, Alfred & Plantagenet Township, Ontario

163.27 acres Part North Part Lot 35, Concession 2, North Plantagenet; Part Lot 36, Concession 2, North Plantagenet As In R35776, Except Part 1 & 2, 46R6438; Subject To The Rights Of Owners Of Adjoining Parcels, If Any, Under R109702 & R1227949, Township of Alfred and Plantagenet, United Counties of Prescott & Russell

EFFECTIVE DATE OF THE APPRAISAL: January 11, 2016

DATE OF THE REPORT: January 18, 2016

PURPOSE AND INTENDED USE OF THE REPORT: First Mortgage Financing

ZONING: C4-2 - Rural Commercial Zone - Exception 2

HIGHEST AND BEST USE: As Improved

VALUATION PARAMETERS:

DIRECT COMPARISON APPROACH

Home Farm, Improvements and 163.27 acres	\$1,000,000
ESTIMATED MARKET VALUE	\$1,000,000

INTRODUCTION TERMS OF REFERENCE

Purpose and Intended Use of the Appraisal

The purpose of this narrative appraisal report is to estimate the current market value of 3550 Plantagenet Second Concession located in Alfred & Plantagenet Township for our client, Sian Thomas. The intended use of this appraisal is to provide the intended user, Expert Mortgage, assistance to Sian Thomas regarding First Mortgage Financing.

Property Rights Appraised

The “**Fee Simple Estate**” Rights are the property rights that are being appraised herein. A person who owns a fee simple estate has all the property rights (a full bundle) unencumbered by any other interest or estate. This is the fullest type of ownership possible, subject to both public and private limitations.

Definition of Market Value

The current market value definition in Canada as per the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) is: “The most probable price which a property should bring in a competitive and open market under all conditions required to a fair sale, the buyer and seller, each acting prudently, knowledgably and assuming the price is not affected by undue stimuli.” Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated;*
2. *Both parties are well informed or well advised, and acting in what they consider their best interests;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in cash in Canadian dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

INTRODUCTION

TERMS OF REFERENCE

Reasonable Exposure Time

The definition of Exposure time as per the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) is:

“The estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value at the effective date of the appraisal; a retrospective estimate based upon an analysis of past events and assuming a competitive and open market. Exposure time is different for the various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time, but adequate, sufficient and reasonable effort.”

A search of similar properties in the market indicates an exposure time of 6 – 8 months to affect a sale. In the case of the subject property, this exposure time is considered to have occurred prior to the effective date of the appraisal.

Effective Date of the Appraisal

The effective date of the appraisal is January 11, 2016. The work and research were undertaken in January 2016. The date of the appraisal report is January 18, 2016.

INTRODUCTION
TERMS OF REFERENCE
APPRAISAL SCOPE

The scope of the appraisal encompasses necessary research and analysis to prepare a report in accordance with the intended use, the Standards of Professional Appraisal Practice of the Appraisal Institute of Canada, and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada. This appraisal, under the new Uniform Standards, is considered a Narrative Appraisal, Summary Format. It follows the accepted general practice of information gathering and report preparation for commercial appraisals in the area. To follow are the steps involved in the preparation.

1. The property was inspected on January 11, 2016. The photographs included in this report were taken at the time of inspection. Information on the subject property was furnished to our office by the client and from a physical inspection of the property as well as from a discussion with the property owner.
2. The Neighbourhood data section was based upon a physical inspection of the area as well as information on file. The Taxes, Assessment and Zoning included in this report were provided by the assessment role and information from the municipality. Legal counsel should verify the legal description before being relied upon or used in any conveyance or other document.
3. In estimating the Highest and Best Use for the property, an analysis was made of data compiled in the two steps noted above. In addition, a review of the market was made to help determine the demand for this type of property. The Highest and Best Use is based on a summary analysis as well as a review of the relevant facts, and our general knowledge of the area.
4. In developing approaches to value, the market data used was collected from files in our office, local real estate offices, other appraisers (within our office), MPAC and GeoWarehouse or persons knowledgeable of the subject property market place. Data on the sales comparables has not necessarily been personally verified. A registry office search was not performed in the course of this appraisal.
5. The estimated exposure period for properties within this area and price range is based on total real estate statistics and ongoing interviews with Realtors who are familiar with the market area.

INTRODUCTION
TERMS OF REFERENCE
APPRAISAL SCOPE

6. Implicit in the definition of Market Value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
 - 1) Buyer and seller are typically motivated;
 - 2) Both parties are well informed or well advised, with each acting in what he considers his own best interest;
 - 3) A reasonable time is allowed for exposure in the open market;
 - 4) Payment is made in cash in Canadian dollars or in terms of financial arrangements comparable thereto;
 - 5) The price represents the normal consideration unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

7. After assembling and analyzing the data defined in this scope of the appraisal, a final estimate of Market Value was made as of January 11, 2016.

8. Environmental Issues:

The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.

FACTUAL DATA
TITLE AND ASSESSMENT INFORMATION

Ownership and Five-Year Title History

A search of the MPAC records indicates that the subject is located in parcels registered with the Roll Number listed below and the registered owner is showing as Sian Thomas, Rozalind Lofts, Santiago Saravia.

Parcel #	Roll #	Assessed Value ¹	2016 Taxation Year Phased-In Assessment ²	Five Year Sales History
Home Farm	02 310 20002 11400 0000	\$582,000	\$582,000	Feb 9, 2012

A search of the GeoWarehouse records indicates that the subject is located in one parcel registered with the Property Identification Number 541020054 and the registered owner is showing as Sian Thomas, Rozalind Lofts, Santiago Saravia. The subject property was purchased February 9, 2012 at a purchase price of \$950,000. There have been no other reported transactions on the property in the past five years.

An online search of all active and expired real estate listings on the Ottawa Real Estate and the Cornwall and District Real Estate Board indicated that the subject property has not been listed for sale since the purchase of the property in February 2012.

The above is provided only as information and should not be relied upon by the reader, who is cautioned to obtain a full title search if necessary.

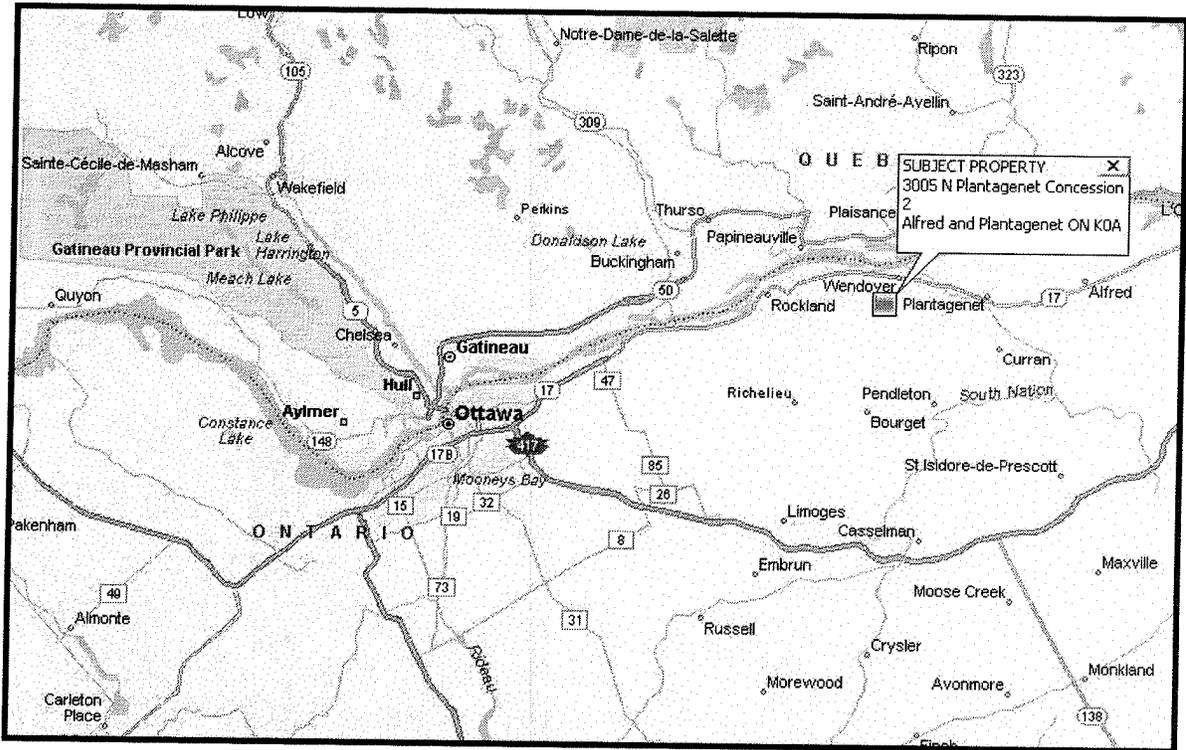
Outstanding Mortgages

As no land registry search was performed during the course of this appraisal, the existence or effects of any financing on the subject property is unknown. For the purpose of the appraisal, the subject property is considered to be free and clear of any restrictive liens or encumbrances.

¹ As reported by the Municipal Property Assessment Corporation, the Assessed Value is based on a January 1, 2012 Valuation Date.

² Phased-In Assessment reflects the phased-in portion of the Assessed Value returned to the municipality/local taxing authority on the 2015 Assessment Roll for the 2016 taxation year.

FACTUAL DATA AREA MAP



FACTUAL DATA

AREA AND NEIGHBOURHOOD ANALYSIS

The region of the United Counties of Prescott and Russell (UCPR) covers 2,002 square kilometers and is located in the eastern tip of Ontario, surrounded by the city of Ottawa to the west, the Ottawa River to the north, the province of Quebec to the east and the counties of Stormont-Dundas-Glengarry to the south.

Prescott and Russell is a mainly rural region, but close to urban centres such as Montreal, Ottawa-Gatineau, Cornwall and the United States border. These markets, with a population of more than 4.7 million people, are within an hour's drive from the counties and are easily accessible via Highway 417 and Highway 17, and also by air and rail transport network.

The United Counties of Prescott and Russell are administered through a two-level system of municipal government: the upper tier (United Counties) and the local tier (eight local municipalities). The role of the regional government is to ensure the delivery of services of regional scope or services that would be too costly for a single local municipality. The total population of the counties amounted to 80,184 inhabitants in 2006.

Agriculture occupies more than 70% of the counties' territory. Some of the most significant natural features include the Ottawa River and the South Nation River, the Larose Forest, which is one of the largest plantation forests in the country, the Alfred Bog, a wetland of international importance and great extents of public and private forests and woodlots.

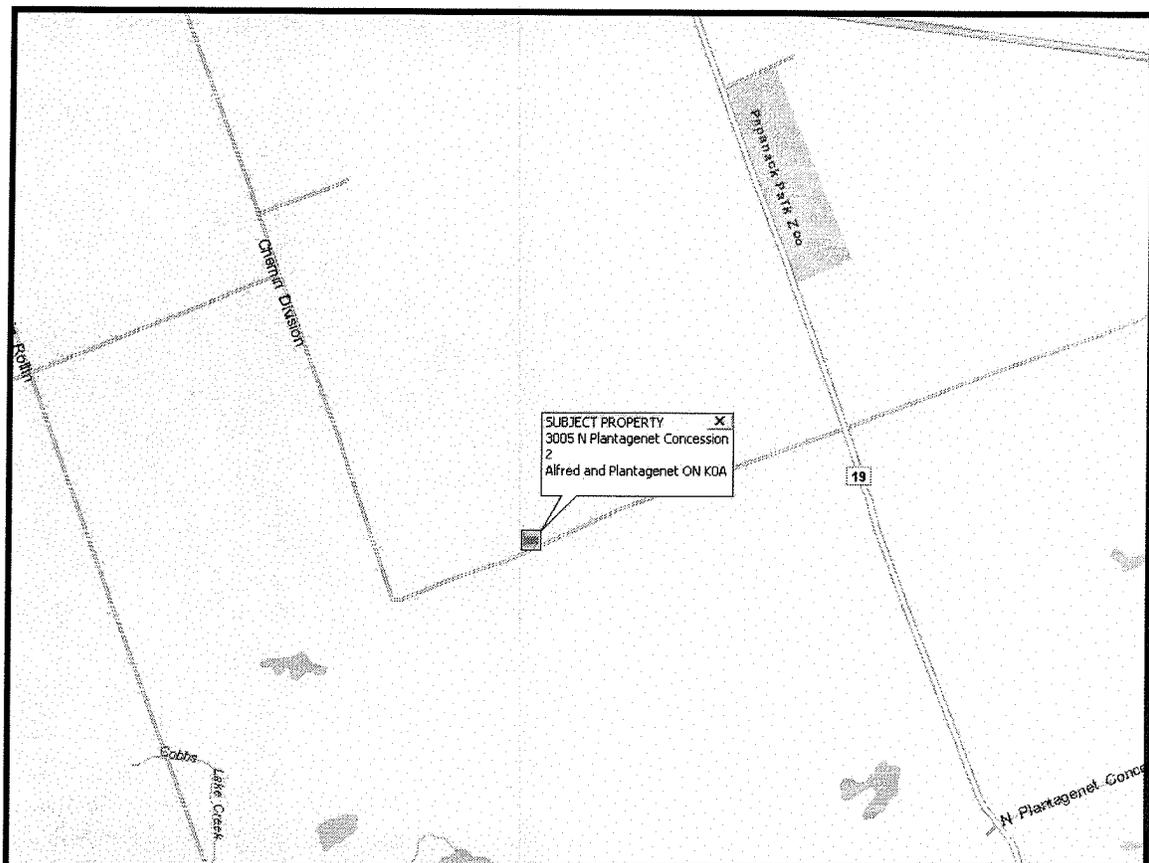
More than 70% of the Prescott and Russell territory is dedicated to agriculture. Field crop, milk production and poultry breeding in the area are among the best performances of the province. The agri-food sector is also experiencing an important growth and the presence of l'Université de Guelph-Campus d'Alfred, leader in certified-organic milk research and production, brings synergy and development for the farming sector.

FACTUAL DATA

AREA AND NEIGHBOURHOOD ANALYSIS

The subject parcel is located in the northwest central portion of the Township. Development in the area consists of primarily of both operational and hobby farms as well as rural residential properties. There were no adverse influences noted at the time of inspection and the subject property conforms with the development in the immediate market area.

NEIGHBOURHOOD MAP



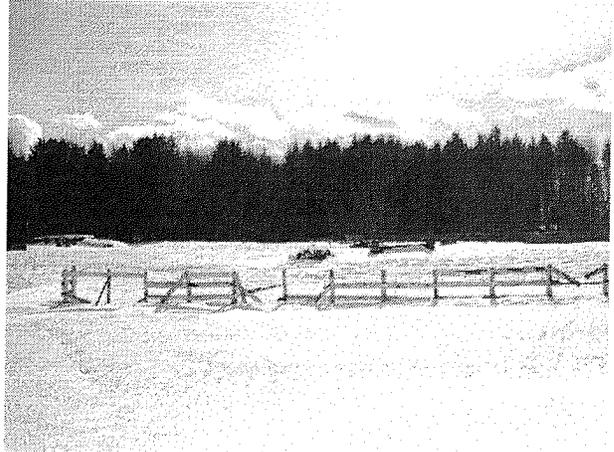
FACTUAL DATA
SITE DATA – Home Farm

Size	163.27 acres
Legal	Part North Part Lot 35, Concession 2, North Plantagenet; Part Lot 36, Concession 2, North Plantagenet As In R35776, Except Part 1 & 2, 46R6438; Subject To The Rights Of Owners Of Adjoining Parcels, If Any, Under R109702 & R1227949, Township of Alfred and Plantagenet, United Counties of Prescott & Russell
Shape	Rectangular
Topography	Primarily level
Zoning	A review of the current zoning by-law for Alfred and Plantagenet Township reveals that the subject is designated as a C4-2 - Rural Commercial Zone - Exception 2
Services	<p>The services presently available at the subject site include numerous artesian wells (reportedly 13), a drilled well and 4 septic systems (1 for house, 1 for barn and 2 for canteen and cabins), hydro, police and fire protection.</p> <p>No tests of water potability and no inquiries into public health criteria for private sewerage systems were made. It is assumed both systems were in good working order and of sufficient size and capacity for the stated highest and best use.</p>
Easements	<p>None observed or reported during inspection. Furthermore, no real property report was made available and no title search was performed.</p> <p>For the purposes of this appraisal report, the subject property is assumed to be free and clear of any encumbrances and liens which might limit or restrict the property's highest and best use or market value.</p>
Comments	<p>It was reported by the property owner that home farm has approximately 112 acres of cleared land (including areas for improvements) and approximately 50 acres of bush lands.</p> <p>According to the Ministry of Food and Agriculture soil maps the home farm property consists primarily of St. Thomas Fine Sand, Achigan Fine Sand and Cheney Fine Sand. These soil types are judged to be Class 4 and Class 5.</p> <p>Class 4 - Soils have severe limitations that restrict the choice of crops, or require special conservation practices and/or very careful management. The limitations severely affect one or more of the following practices: timing and ease of tillage; planting and harvesting; choice of crops; and methods of conservation. These soils exhibit low to moderate productivity for a narrow to wide range of common field crops, but may have higher productivity for a specially adapted crop.</p> <p>Class 5 - Soils have severe limitations that restrict capability to producing perennial forage crops, and improvement practices are feasible. The limitations are so severe that the soils are not capable of use for sustained production of annual field crops. The soils are capable of producing native or tame species of perennial forage plants and may be improved through the use of farm machinery. Feasible improvement practices may include clearing of bush, cultivations, seeding, fertilization, or water control.</p> <p>No soil tests were obtained specifically for the subject but load-bearing capabilities of the site are considered to be sufficient for the existing or any proposed improvements corresponding to the Highest and Best Use of the property. No environmental tests were undertaken to determine if any toxic waste was on site. A detailed soil analysis would be required to make a final determination. If the site is found to be deficient in load-bearing capabilities or to have contaminants present the value would have to be adjusted.</p>

SUBJECT PHOTOGRAPHS



Typical View of Fields



Typical View of Fields

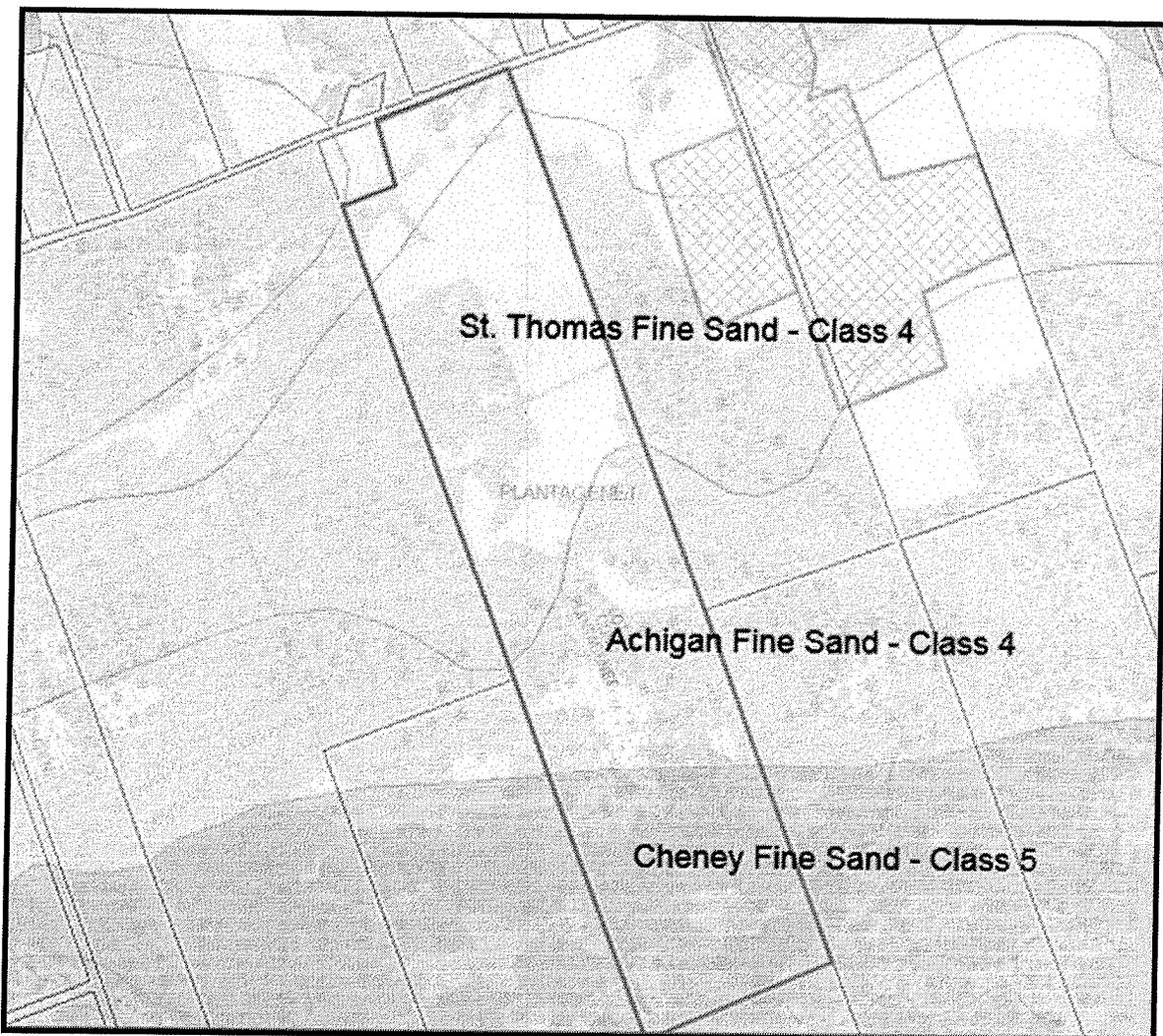


Typical View of Fields



Typical View of Fields

**FACTUAL DATA
SOIL MAP**



FACTUAL DATA
GEOWAREHOUSE SKETCH - Home Farm



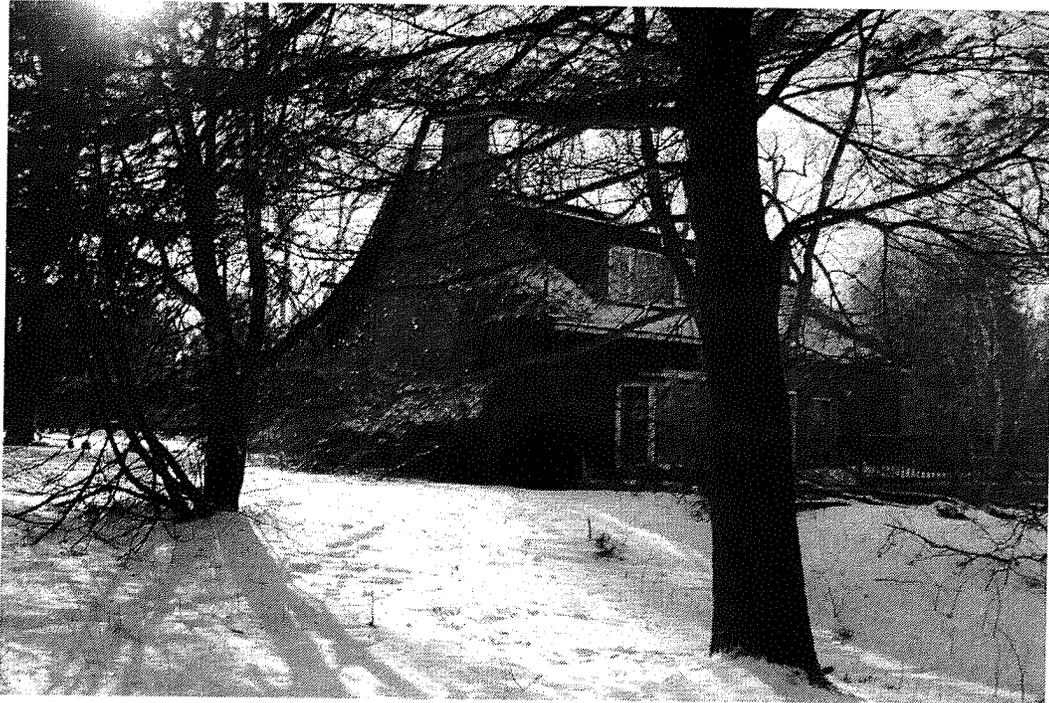
FACTUAL DATA

DESCRIPTION OF IMPROVEMENTS – Home Farm

The site is improved with a 2,500 square foot, 2 storey residence, the "old barn", tack shed, main barn & indoor arena, quarantine barn, cottage, canteen, 10 cabins and 3 mobile homes. The following descriptive information has been derived from the on-site inspection of the subject property.

RESIDENCE	
Gross Building Area	2,500 square feet
Actual Age	Original structure 145 years with additions in 1972 & 1977
Effective Age	10 years
Remaining Economic Life	40 years
Foundation	Concrete block, stone and poured concrete
Framing	Wood frame
Exterior Walls	Wood, board and batten
Roof Structure	Wood truss
Roofing	Asphalt shingle
Insulation	Not observed
Electrical	200 amp circuit breaker
Heating	Forced air oil fired furnace, wood stoves (3) and fireplaces (2) - wood burning, electric baseboard (dining area)
Plumbing	ABS/Copper pipes, Main Level: 4 piece bathroom, Upper Level ensuite, 3 piece bathroom
Interior Finish	
Walls	Drywall, wood paneling
Ceilings	Drywall, beamed
Flooring	Wide plank pine, carpet
Comments:	The subject is a modern 2 storey residence originally built in 1870 with additions added in the 1970's. The exterior is wood siding, board and batten style which is stained and appears in good condition. The roof is asphalt shingle and shows some indication of wear, but the areas of concern are reportedly being addressed. The interior has been maintained well and is in good condition. The main level consists of a kitchen with dining area, a living room, a family room, an office and a bathroom. The upper floor has 3 bedrooms with the master suite having a 3 pc ensuite. The building has 2 basements, one with the original frame and a second added in the 1970's. The utilities can be found in the basement.

RESIDENCE PHOTOGRAPHS



Front of Residence



Rear of Residence

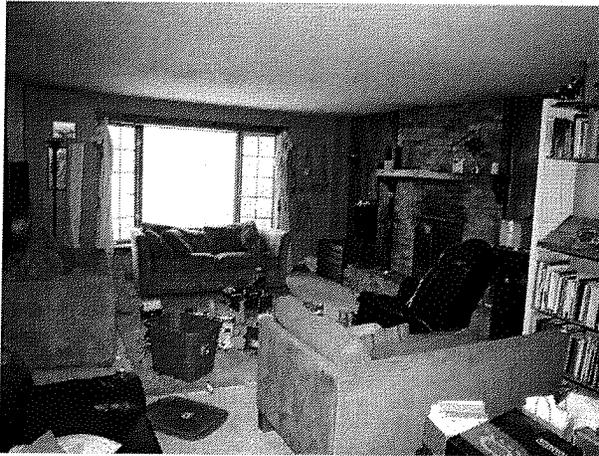
SUBJECT PHOTOGRAPHS



Kitchen



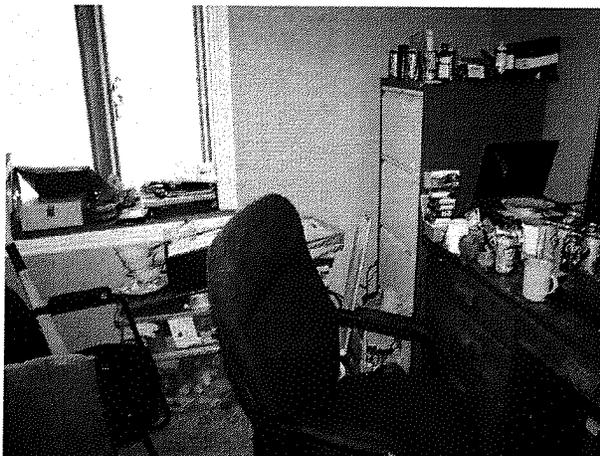
Dining Area



Living Room



Family Room

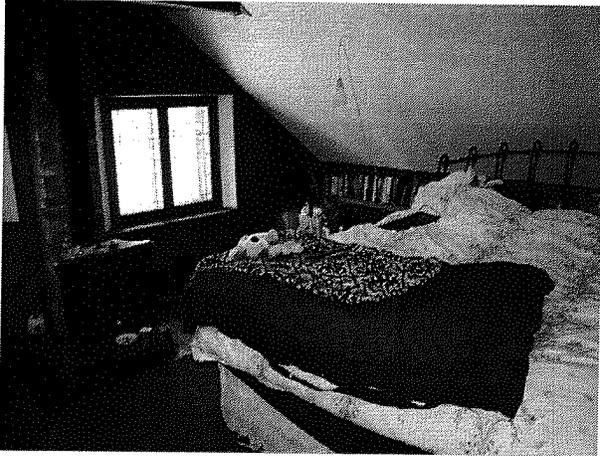


Office

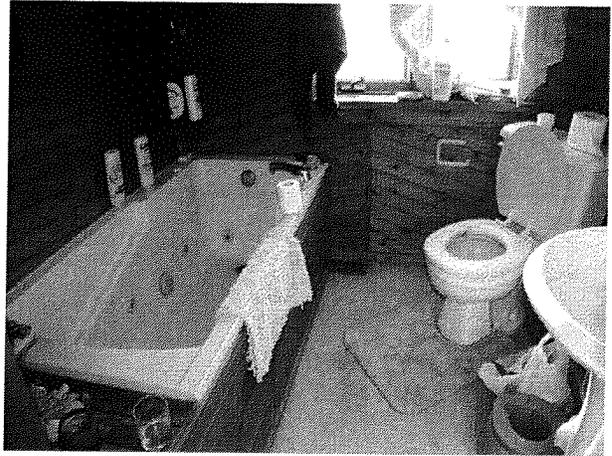


Bathroom - 4 piece

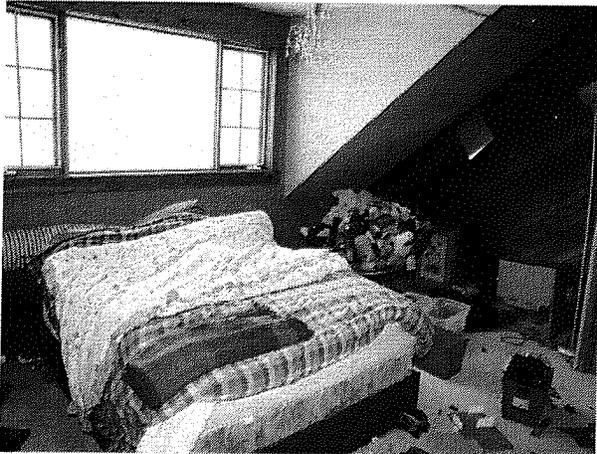
SUBJECT PHOTOGRAPHS



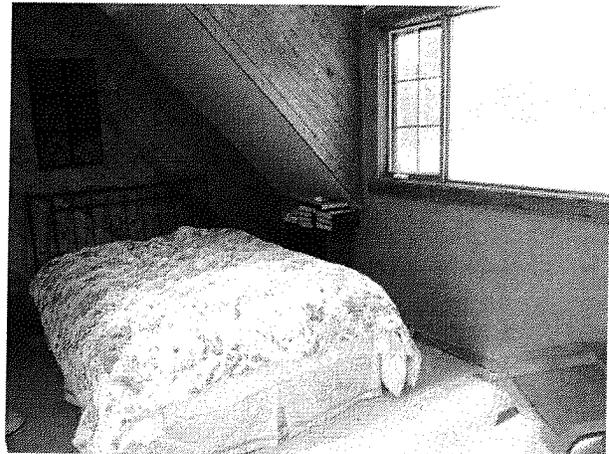
Master Bedroom



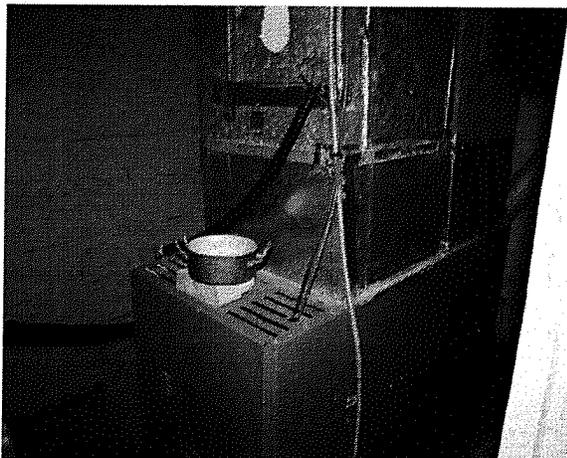
Ensuite - 3 piece



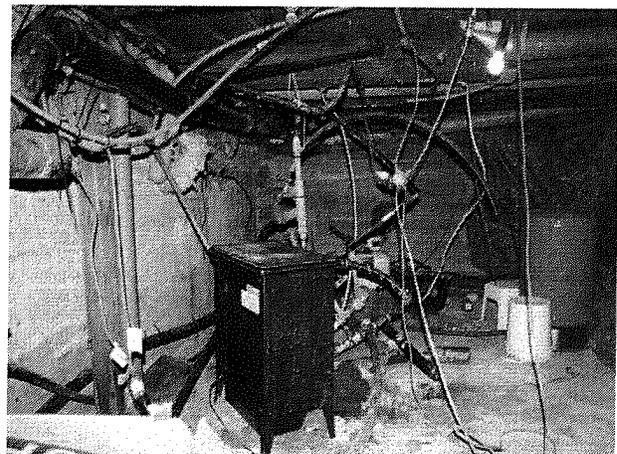
Bedroom 2 of 3



Bedroom 3 of 3



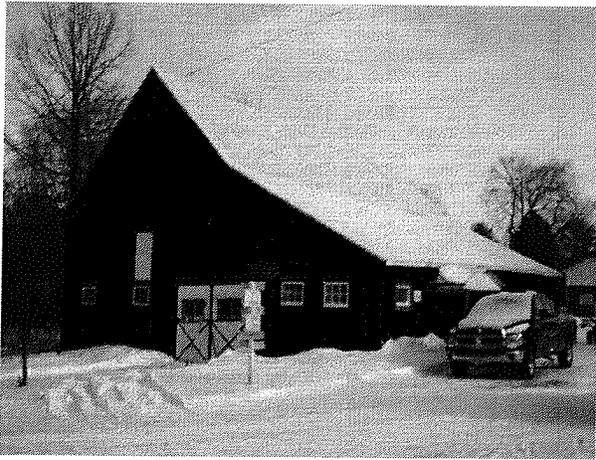
Oil Fired Furnace



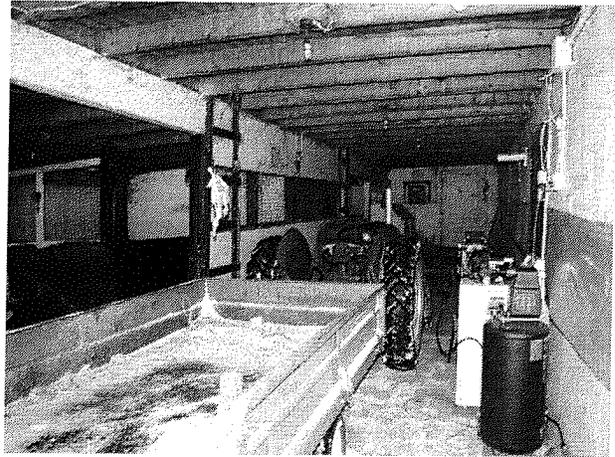
Original Basement

FACTUAL DATA**DESCRIPTION OF IMPROVEMENTS – Home Farm****Old Barn**

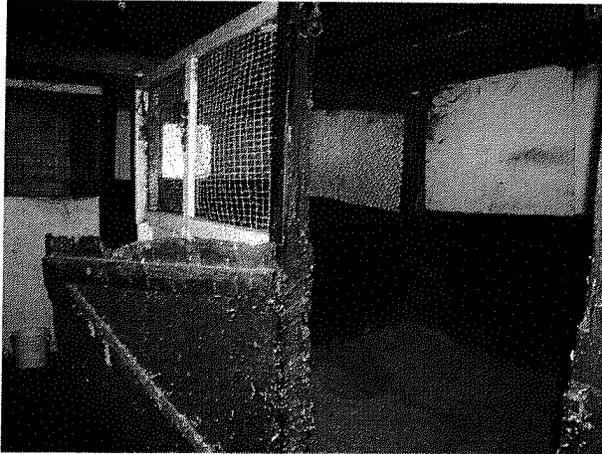
The home farm property is improved with what is known as the old barn which measures 50' x 62' and has 10 box stalls and 13 standing stalls. The barn has hydro and concrete floors. The siding is wood with a steel roof. The upper area is for hay storage.



Exterior



Interior



Typical box stall

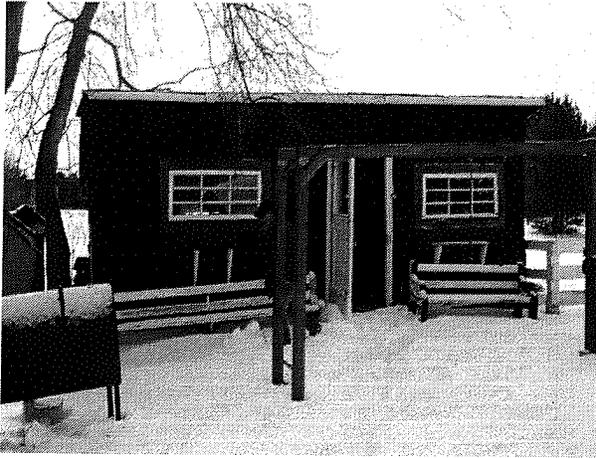


Standing stall area

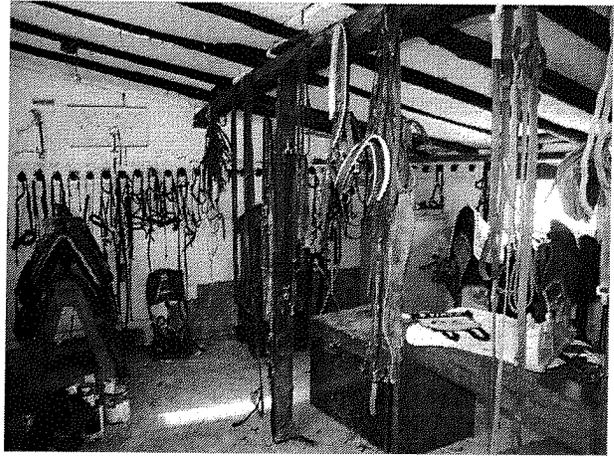
FACTUAL DATA
DESCRIPTION OF IMPROVEMENTS – Home Farm

Tack Shed

The tack shed is a former chicken coop converted for the storage of saddles, halters and other tack. It measures 12' x 20', has a concrete floor with styrofoam ceiling.



Exterior



Interior

Quarantine Barn

The quarantine barn measures 28.5' x 40' and has 6 box stalls and a tack room. It has a sand base floor. It is utilized for storage currently, but converted to horse use for visiting boarder horses. It is wood frame and steel roof.



Exterior

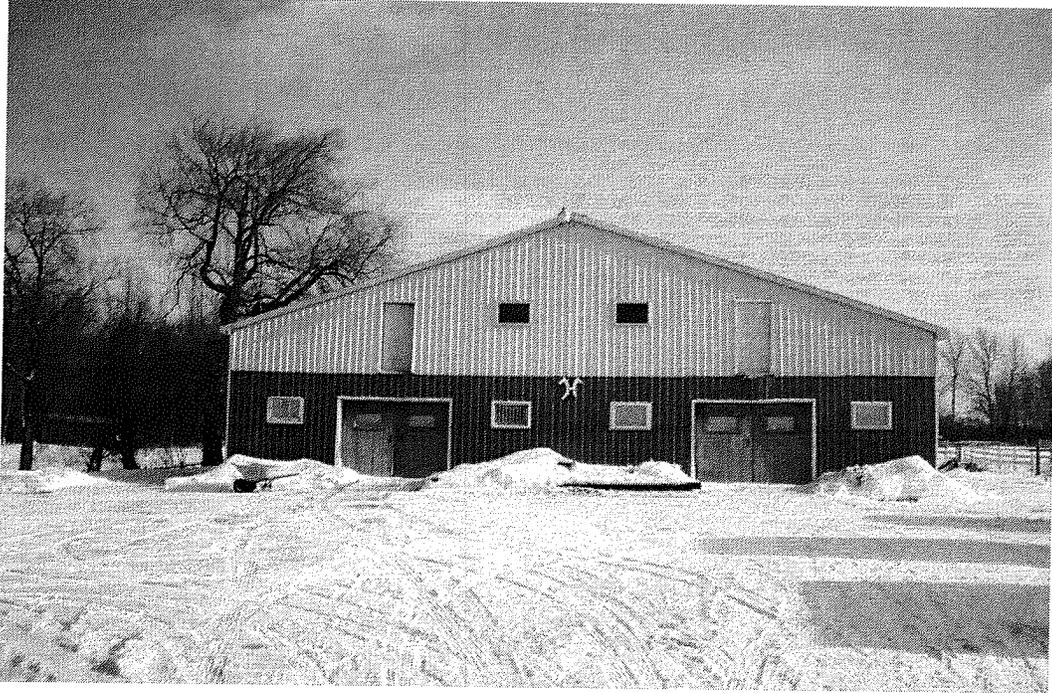


Interior

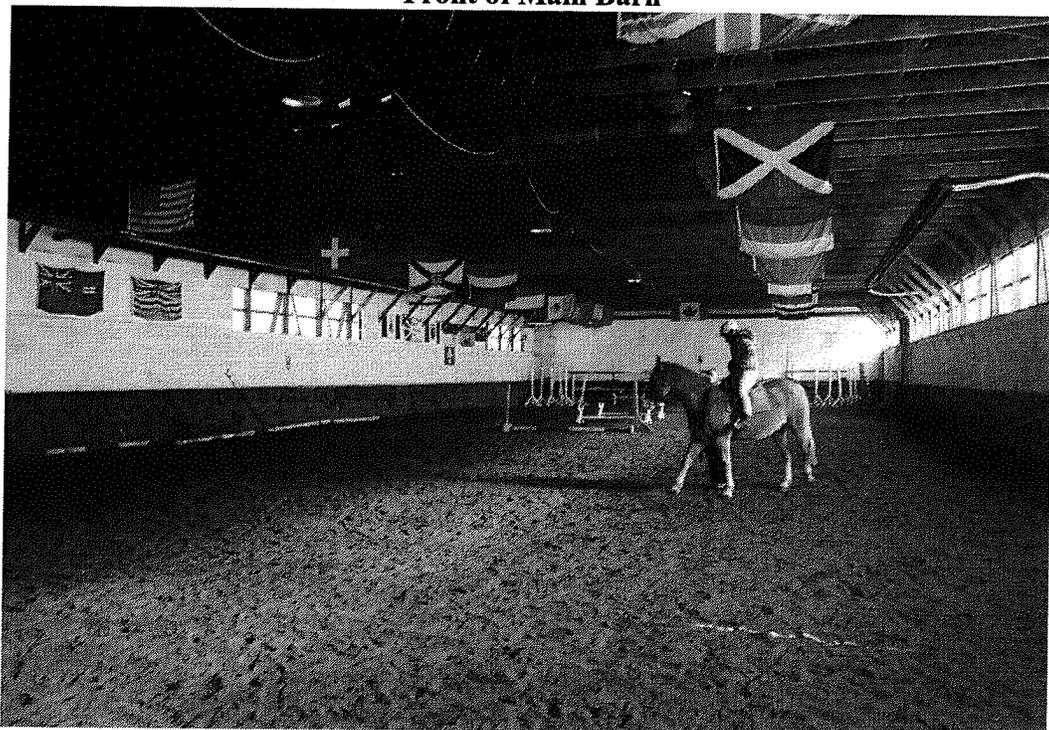
FACTUAL DATA

DESCRIPTION OF IMPROVEMENTS – Home Farm

Main Barn and Arena



Front of Main Barn

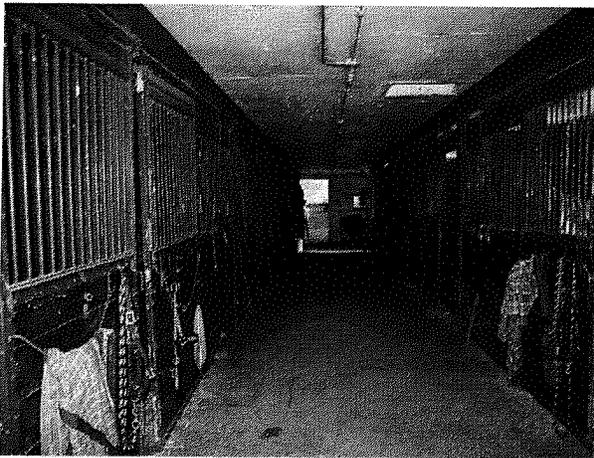


Interior Riding Arena

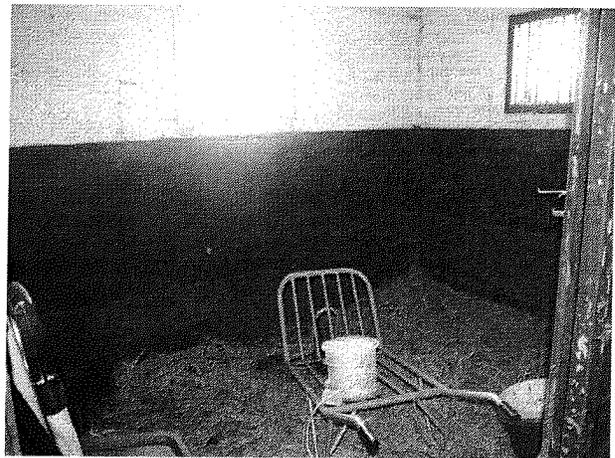
FACTUAL DATA
DESCRIPTION OF IMPROVEMENTS – Home Farm

Main Barn and Arena

The main barn and indoor riding arena are attached and form one building measuring 225' x 60'. The arena itself measures 150' x 60'. The barn has 20 box stalls, a tack room with the upper level having a hayloft and an observation lounge, a classroom and a bathroom/laundry. The exterior has steel siding and steel roof and is equipped with hydro, water and septic. The arena is heated with 5 ceiling mounted radiant heaters. The base of the riding arena is stone dust with a sand covering.



Interior



Typical box stall



Lounge



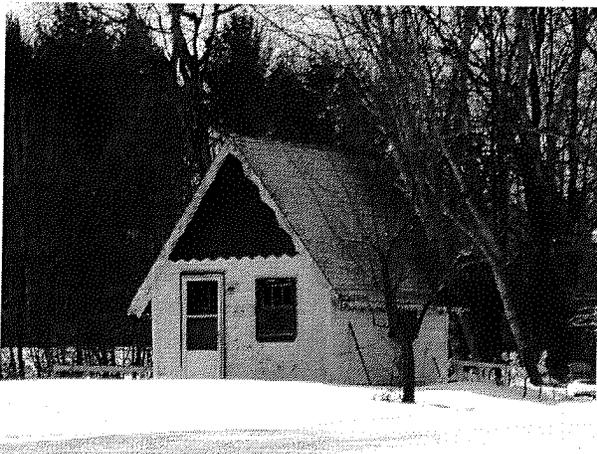
Washroom/laundry

FACTUAL DATA

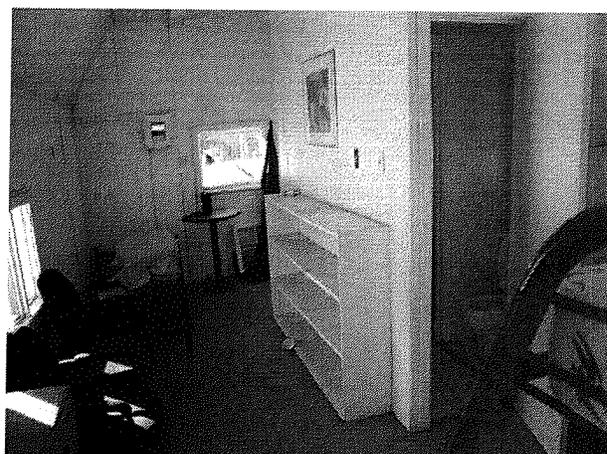
DESCRIPTION OF IMPROVEMENTS – Home Farm

Cabins & Canteen

In addition to the equine related buildings of the subject, there are several other buildings which was utilized previously as a summer camp. There are 2 cabins which measure 10' x 20' each featuring a room and a bathroom. In addition there are 10 cabins in a semi-circle, each measuring 10' x 12' with one room and a bathroom each. The two cabins and canteen share a septic system, while the 10 cabins share a septic. The canteen measures 24' x 60'. They are all wood frame with all cabins having wood siding and asphalt shingle roofs. The canteen has vinyl siding and a steel roof. There is an outdoor in-ground pool adjacent to the canteen. Snow cover prevented access and photographs. It was reported to be in good functioning condition.



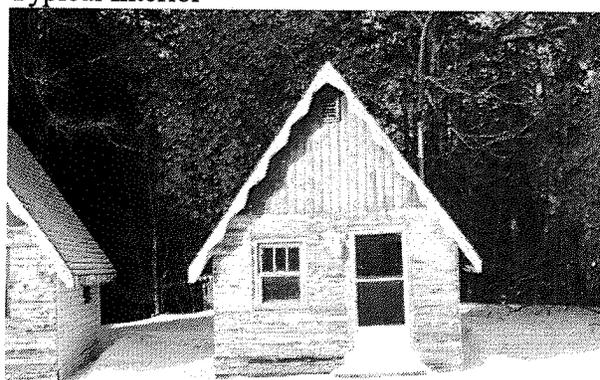
Typical Cabin 10' x 20'



Typical Interior

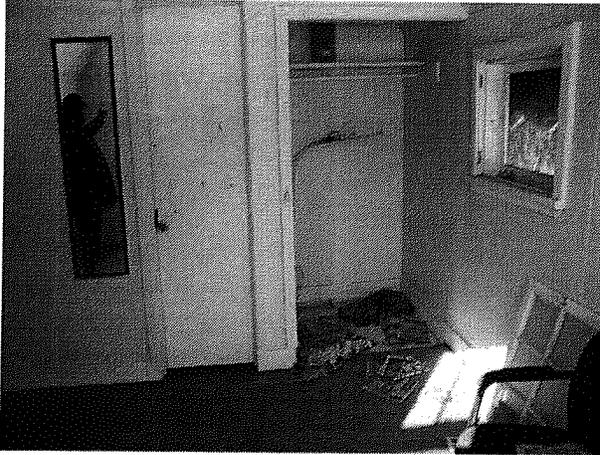


10' x 12' Cabins



Typical Cabin

SUBJECT PHOTOGRAPHS



Typical Interior of Cabin



Typical Washroom



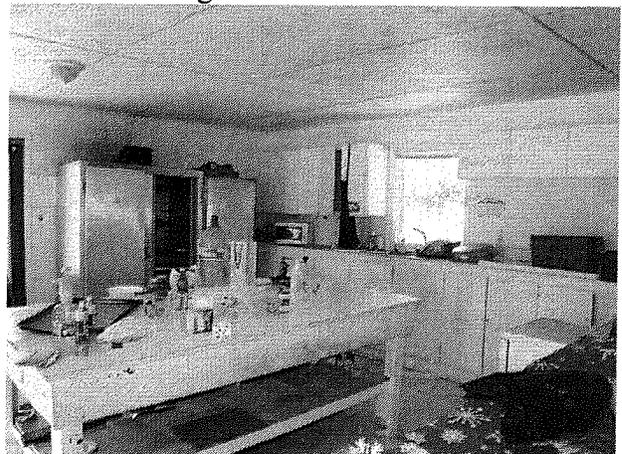
Canteen



Interior - Dining Area



Kitchen



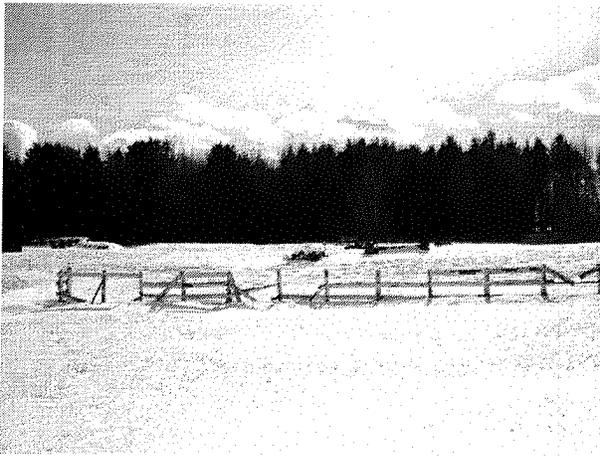
Kitchen

FACTUAL DATA

DESCRIPTION OF IMPROVEMENTS – Home Farm

Paddocks

Adjacent to the main improvements there are 8 paddocks and 4 fields. The fields are cleared for steeplechase course and a cross country course. These two fields occupy approximately 10-18 acres each. There is also an outdoor riding ring that measure 190' x 295' with a sand base and a dressage ring that measures 65' x 130' with a stone dust base.



Cross Country Course



Dressage Ring

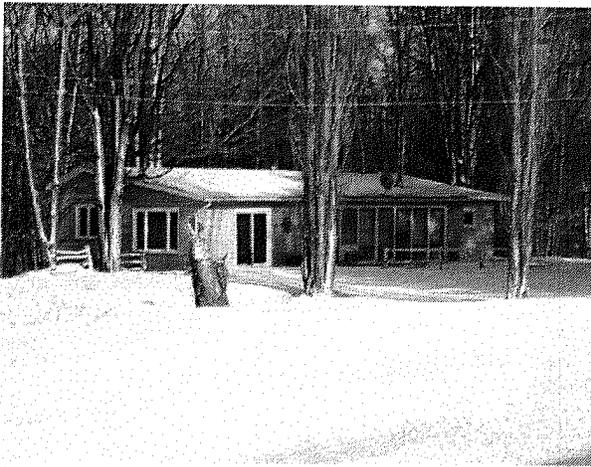


Outdoor Riding Arena

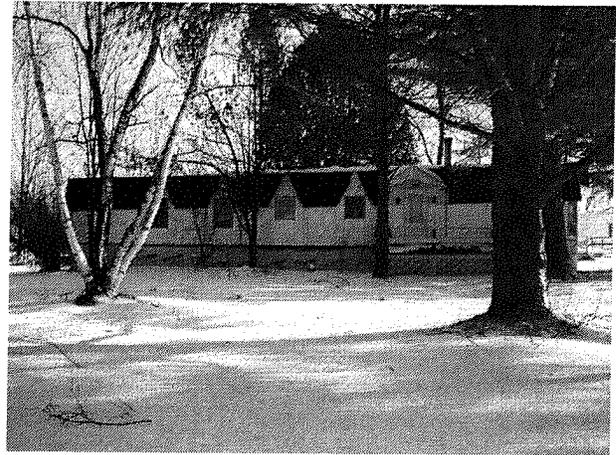
FACTUAL DATA
DESCRIPTION OF IMPROVEMENTS – Home Farm

Mobile homes

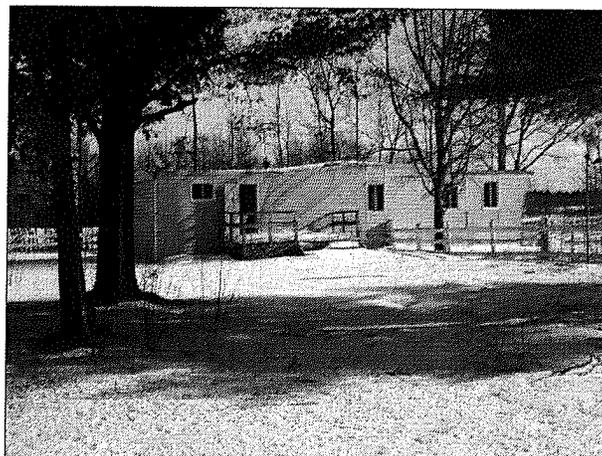
Also on site there are 3 mobile homes which are not being considered for value in this report. The first unit is 1,300 sq ft with 2 bedrooms and a bath. This unit has been built out with an additional living room. The second is 884 sq ft and has 3 bedrooms. The third is 540 sq ft and has 2 bedrooms. This structure is to be removed in the spring and is in poor condition.



1,300 sq ft mobile home



884 sq ft mobile home



540 sq ft mobile home

FACTUAL DATA
DESCRIPTION OF IMPROVEMENTS – Home Farm

Notwithstanding the above, a building condition report on the subject property was not provided and, thus, no comment could be made on the structural integrity and operational quality of mechanical and electrical services.

No special tests or other procedures of the buildings have been performed as part of this appraisal to determine the condition and work ability of the remainder of the mechanical and electrical systems of the building. Therefore, it is assumed that these systems are in reasonable operation.

ANALYSIS AND CONCLUSIONS

HIGHEST AND BEST USE

Highest and Best Use can be defined as:

“That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonable, probable and legal alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest value.”

Fundamental to the concept of Highest and Best Use is the most profitable and the most probable use of the site. As the consideration of these uses is made in an imperfect and highly competitive market, the decisions to invest or develop vary from person to person, and transaction to transaction. To determine the Highest and Best Use of the site, it becomes necessary to satisfy the following criteria. The Highest and Best Use must be: 1) legally permissible; 2) physically possible; 3) economically viable and the most probable use; and 4) most profitable use.

To this end the subject property will be analyzed with respect to the site as improved and vacant.

The subject site is improved with a residence, 3 barns, indoor riding arena, 12 cabins, a canteen and 3 mobile homes, located in Plantagenet, Alfred Township. The site is currently zoned C4-2 - Rural Commercial Zone - Exception 2 and the current use is judged to be a legal conforming use. The use is physically possible and if the site were vacant, a similar use could be developed

The subject property is currently utilized as an equestrian farm. The buildings provide adequate utility and are expected to continue to into the foreseeable future.

The vacant parcels are likely to be purchased as add on farm land given the strong market for operational farms in the immediate area.

Conclusion

The improvements on site have considerable remaining economic life and are expected to continue to produce adequate utility into the foreseeable future. The buildings contribute to the subject site over and above the value of the site as if vacant and ready for development. Therefore, the continuation of the current use is considered to be the highest and best use.

ANALYSIS AND CONCLUSIONS

VALUATION PROCESS/APPRaisal PROCEDURE

Wherever possible and applicable, the three approaches to value should be utilized in the appraisal of real estate. The approaches selected (as described below) should reflect their use by the market in question.

The Cost Approach

Normally reserved for properties that are fairly new, as the accrued depreciation becomes more difficult to determine as a building ages. This method relies on the Principle of Substitution whereby a knowledgeable purchaser will not pay more for a property than the cost to replace that property. It is not typically employed by purchasers to estimate the market value of existing farm properties. Therefore the Cost Approach will not be utilized in the valuation of the subject property.

The Income Approach

The Income Approach is a major basis for valuation of a revenue producing property since they are purchased primarily for their income earning capacity. The indication of value is achieved by estimating the present or discounting worth of the future net earnings that the property may be reasonably expected to produce during its economic life. The Income Approach is particularly significant for office and multi-tenant commercial buildings, particularly when they are leased. The Income Approach is not applicable for equestrian farms, working farms or hobby farm and will not be utilized in the evaluation of the subject property.

The Direct Comparison Approach

A major valuation method as it reflects the action of buyers and sellers in the market. It involves gathering and comparing data on similar properties that have recently sold on the open market. This approach is judged a reliable measure of the actions of the buyers and sellers for this type of property.

Accordingly, Direct Comparison Approach will be utilized in the valuation of the subject property.

ANALYSIS AND CONCLUSIONS
DIRECT COMPARISON APPROACH
Residence, Barns and 100 Acres

The Direct Comparison Approach is a means of valuing a property by comparing the property being appraised, to other similar properties which have been sold recently, are listed for sale, or have had offers made on them. Listings or offers are not as reliable as these are not actual consummated transactions. The underlying premise is the Principal of Substitution, which maintains that a prudent buyer will not pay more for a property than it would cost to buy an equally desirable substitute.

The basic steps in the Direct Comparison Approach are:

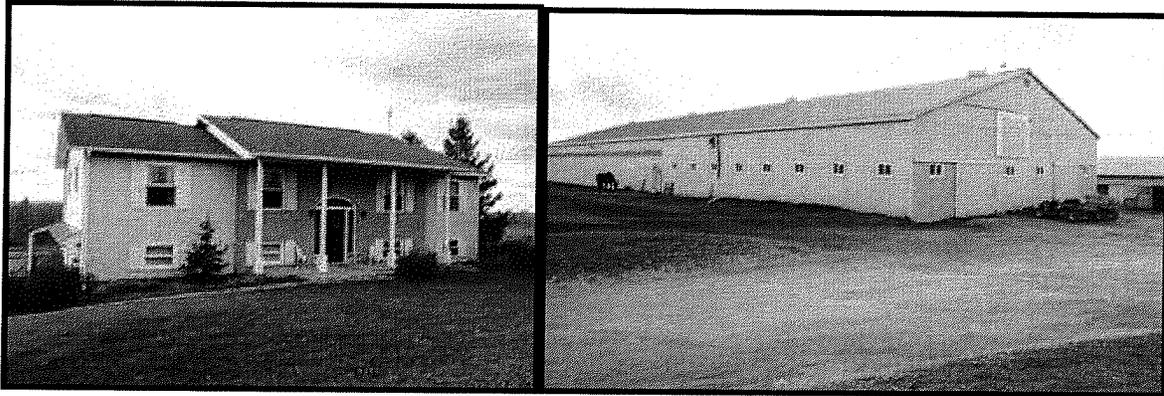
1. *Survey the competitive area to locate comparable properties that have recently sold, are offered for sale or on which an offer has been made.*
2. *Verify pertinent information on each sale.*
3. *Analyze the market data with regards to date of sale, terms of sale, length of time on the market and the motivation of the buyer and seller.*
4. *Compare the subject property in detail with each sale property, making adjustments where considered necessary to equate differences.*
5. *Reconcile the market data into an estimate of market value for the subject property.*

With good relevant comparable sales, well interpreted, the Direct Comparison Approach provides an excellent value indication, as it reflects the actions of buyers and sellers in the market place.

Comparable Sales

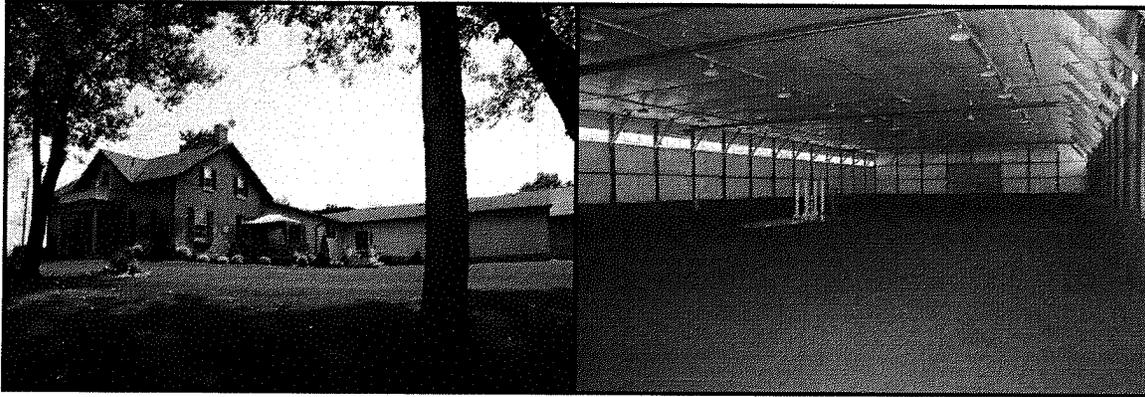
Five comparable equestrian properties were located for comparison to the subject property. Recent sales of similar quality buildings in Ottawa, Kingston and Wendover have been used for comparison to the subject. The sales occurred between February 2012 and May 2015. The comparable sales used in this report are detailed on the following pages. The gross sale price is the parameter of comparison selected for the analysis.

DIRECT COMPARISON APPROACH INDEX NO. 1



2977 Greenland Road, Ottawa, Ontario	
Legal:	East ½ Lot 2, Concession 5, Torbolton Except Parts 1 & 2, 5R11358; Subject To N729459, City of Ottawa
Description:	A prime 88 acre equestrian riding facility known as 'Quarry Park Equestrian Riding Facility' located in Dunrobin, along Greenland Road, in the northwestern part of the City of Ottawa. Equipped with 60' x 120' indoor riding arena constructed in 1986 with a lifetime metal roof, 22 box stalls as well as an observation area overlooking the arena and office. The riding facility is not heated. There is an outdoor arena that has flood lights surrounding the perimeter for evening lessons. There are two wells, one at the residence and one at the barn. The well at the residence has a new 2 year old pump installed. A brick and siding residence sits on the property that was built in 1986. It has 3 bedrooms, 3 bathrooms, fully finished basement and a 2 car attached garage. The roof was resingled 6 years ago and new windows in kitchen and the patio door. The primary residence has a separate income producing apartment ideal for any employee, caregiver or in-law suite. Zoning is rural.
Consideration:	\$850,000
Age/ Condition:	Circa 1986 / Inferior
Date of Deed:	May 16, 2015
Construction/ Exterior:	2 storey / Brick and vinyl
Instrument #:	N/A
Site Area:	88 acres
Residence	3 bedroom, 3 bath, approximately 1,200 sq ft plus apartment, in ground pool
Outbuildings:	Barn, indoor arena

**DIRECT COMPARISON APPROACH
INDEX NO. 2**



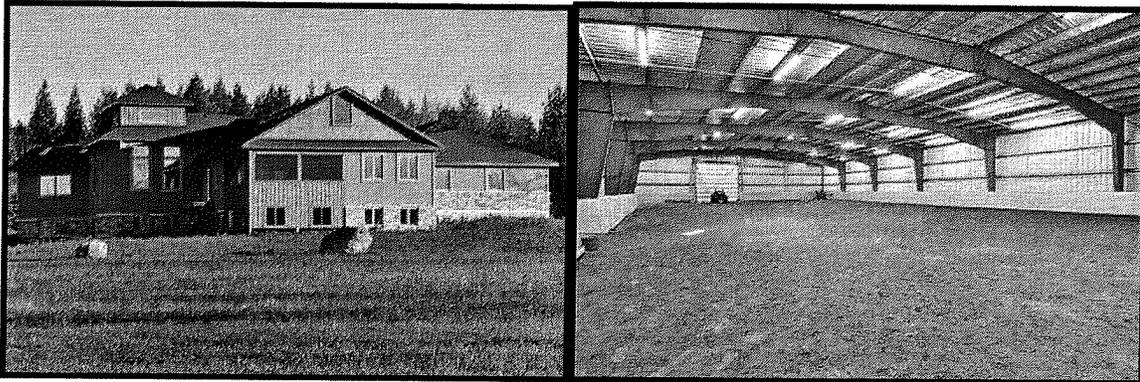
2965-2973 Orser Road, Kingston, Ontario	
Legal:	Part Lot 5, Concession 7, City of Kingston, County of Frontenac
Description:	Located in the northern portion of the city along Orser Road, just off Highway #38. Primarily level lands with some rolling hills and one access point off Orser Road. Approx. 80 acres are hay fields and pasture with the balance consisting of wood lot and bush lands. Site is serviced with a drilled well and septic. Improvements on site include a main residence, a secondary home, riding arena, barns and storage building. Main home is 3,600 square foot and includes 4 bedrooms, two baths, indoor pool and sauna. Originally constructed in the 1830's with an addition building in the 1970's. Stone exterior with some aluminum siding. Well maintained and in excellent condition. Attached 3-car garage. Bungalow on site is 900 square foot in total with 3 bedrooms and one 4-piece bath. Built in the 1970's and is in good condition. The horse and hay barn have 14 box stalls and 4 standing stalls, a tack room and an attached run-in shed. 100 amp power service. Quonset building - 40'x 100' used for storage of farm equipment. 30 amp service. Butler building is 40'x72' is heated and insulated and used for storage and maintenance of equipment. Horse barn measures 36'x90' with a 60' x 150' riding arena. Arena is heated and insulated with 2 overhead doors at either end. 14 box stalls, feed room and tack room in barn portion of building. 200 amp electrical
Consideration:	\$870,000
Age/ Condition:	170 years / Superior
Date of Deed:	April 11, 2013
Construction/ Exterior:	1.5 storey / stone, vinyl
Instrument #:	N/A
Site Area:	151.34 acres
Residence	2 dwellings, 1 3,600 square foot, indoor pool, 2 nd 3 bedroom house, 1 bath
Outbuildings:	5 buildings, including barn, indoor arena, Quonset hut

**DIRECT COMPARISON APPROACH
INDEX NO. 3**



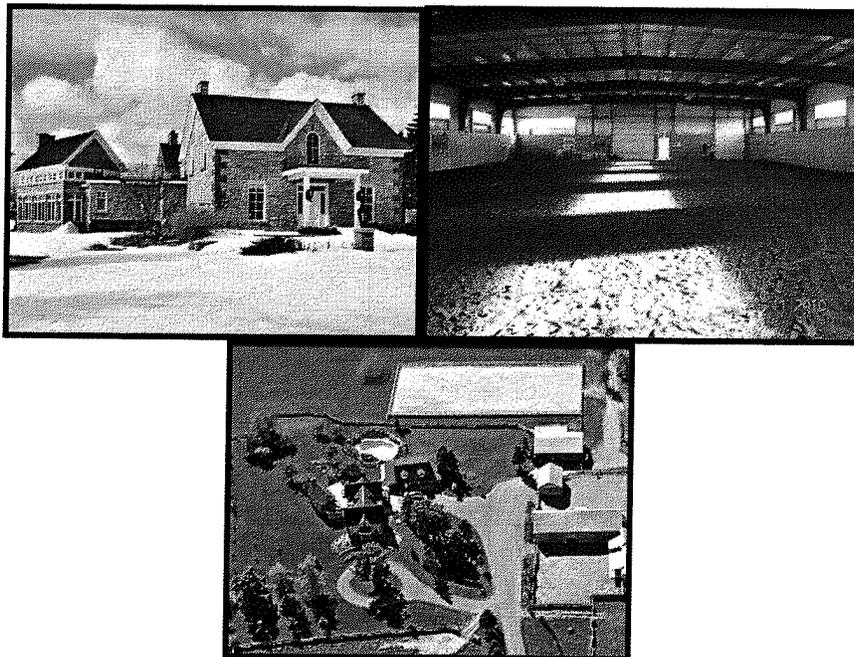
3550 Concession 2 Rd, Wendover , Ontario (Previous Sale of the Subject)	
Legal:	Concession 2, Part Lot 35, Township of Alfred and Plantagenet, United Counties of Prescott and Russell
Description:	163 acre property featuring paddocks, pastures, groomed trails and a pond. Main residence was built in 1850's, three bedrooms, two baths. It was reportedly in a tired condition with dated fixtures and finish. Wall to wall carpet throughout the house. Forced air propane heat, a/c. property also had 2 modular homes, one in good condition, one needing repairs to roof used as staff housing. There were also approximately 10 single room cabins for overnight guests. Indoor riding arena with viewing lounge. Barn had 35 box stalls, 13 standing stalls, wash stall, quarantine barn, in-ground pool and mess hall. Overall, property was very tired and in need of work, but structurally, the buildings were sound and the land ideally suited for riding. Property was vacant for about a year. Sellers were slightly motivated as several deals had fallen through, but selling price was not significantly impacted. 112 acres of 163 were cleared.
Consideration:	\$950,000
Age/ Condition:	1850's / Inferior
Date of Deed:	Feb 9, 2012
Construction/ Exterior:	2 storey Wood / Wood
Instrument #:	N/A
Site Area:	163 acres
Residence: Built circa 1853, 2 storey, 3 bedrooms, 2 baths, in-ground pool	Outbuildings: Indoor riding ring, barn, quarantine barn, cabins, mess hall, 2 modular homes (2 bedroom, 1 bath).

**DIRECT COMPARISON APPROACH
INDEX NO. 4**



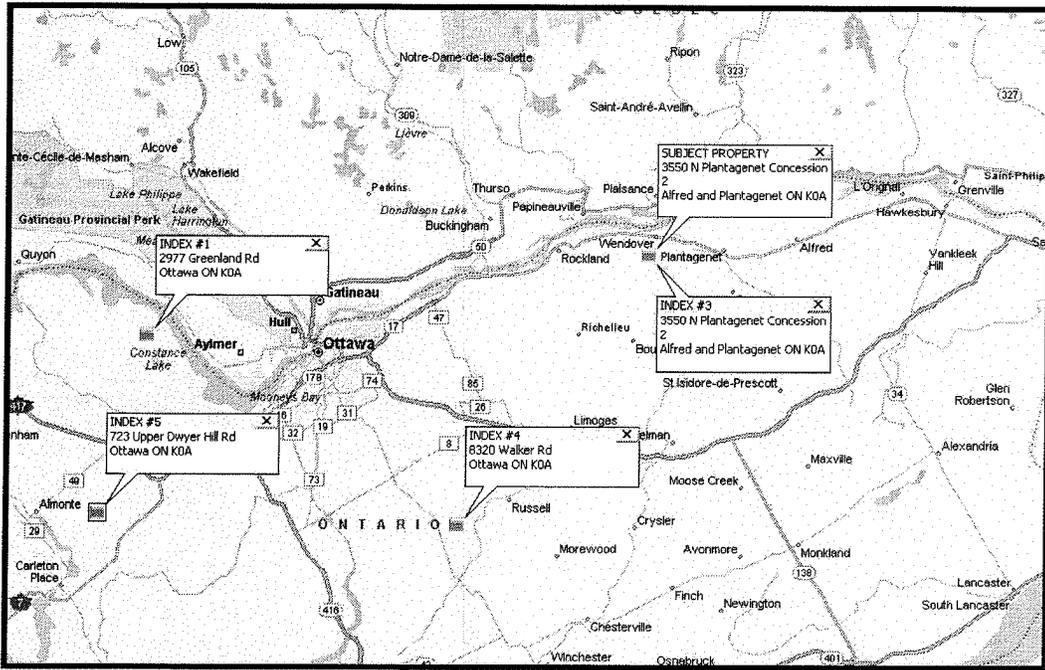
8320 Walker Rd, Ottawa , Ontario	
Legal:	Concession 8, Part Lot 26, Osgoode As In N550889, Except 5R-4218; Subject To OS17730, City of Ottawa
Description:	89.4 acre equestrian farm. Newly constructed house still requires finishing touches, walk out basement, 2 bedroom above grade, 2 bathrooms, lower level apartment and an attached 3 car garage. 10 box stall barn, with tack room, wash stall and viewing room. 80' x 200' indoor arena, 6 fenced fields, trails. All Class 2 land (Grenville and Matilda) with 45 acres cleared.
Consideration:	\$1,265,000
Age/ Condition:	Circa 2014 / Similar
Date of Deed:	November 13, 2013
Construction/ Exterior:	1 storey Wood / Wood
Instrument #:	N/A
Site Area:	89.4 acres
Residence: New construction, 2 bedrooms above grade, 2 baths, lower level apartment with walk out.	Outbuildings: Indoor riding ring, barn

**DIRECT COMPARISON APPROACH
INDEX NO. 5**

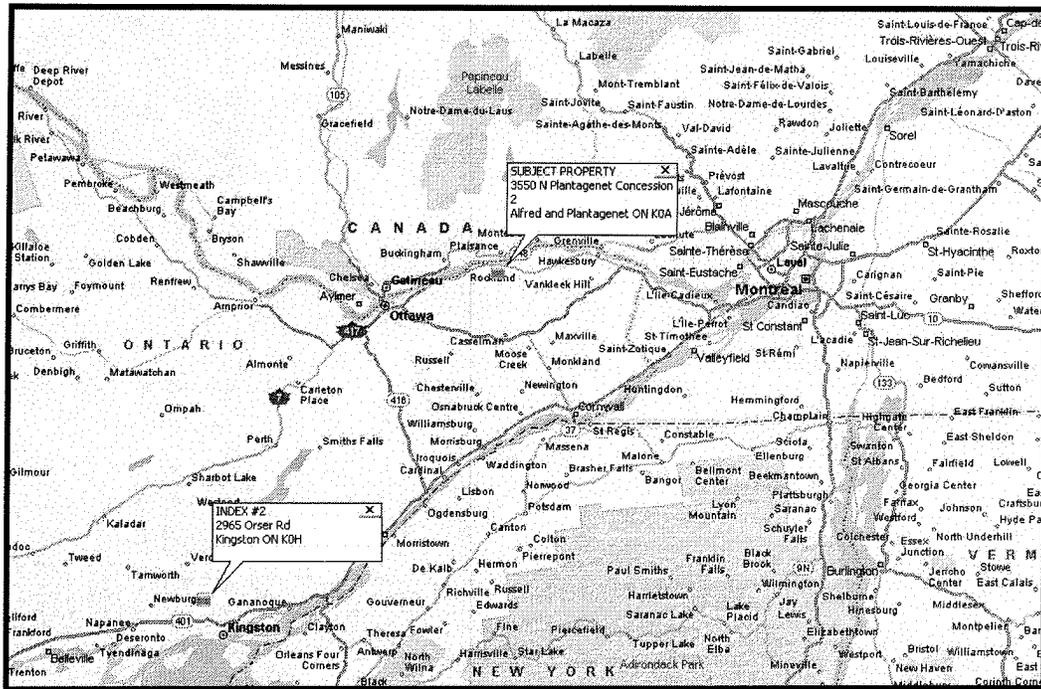


723 Upper Dwyer Hill Rd, Ottawa , Ontario	
Legal:	Concession 11, Part Lot 7, Huntley As In N661067 Subject To HU10326, West Carleton, City of Ottawa
Description:	100 acre equestrian farm. House built in 1867 with new addition added in the 1970's approximately 3,985 sq ft. Completely renovated in 2003 to modern standards. Granite kitchen counters, built in appliances. 4 bedrooms upstairs. The residence is finished to a very high standard. Separate coach-house for cars and storage, polo field, riding trails. Old log barn for hay storage, feed room, tack rooms, 8 box stalls, 3 standing stalls. 40' x 32' machine shop, 40' x 80' coverall, blacksmith shed and storage. 80' x 160' indoor arena. 82 acres cleared, primarily Farmington Class 6 soil, some Grenville Class 2. Sold under Power of Sale
Consideration:	\$1,745,000
Age/ Condition:	Circa 1867/1970/2003 / Superior
Date of Deed:	April 4, 2013
Construction/ Exterior:	2 storey stone / Stone
Instrument #:	N/A
Site Area:	100 acres
Residence: 3,985 sq ft. 4 bedroom, 2.5 bathrooms, built in 1867, new addition 1970's completely renovated 2003	Outbuildings: Indoor riding ring, barn

DIRECT COMPARISON APPROACH SALES COMPARISON MAP



Ottawa Area



Kingston

3550 Plantagenet Second Concession, Alfred and Plantagenet Township, Ontario

**DIRECT COMPARISON APPROACH
ANALYSIS OF COMPARABLE SALES**

Relative to the subject, the comparable sales must each be adjusted for market conditions, property rights, financing terms, motivation of vendor and purchaser, location, physical characteristics (size, condition, site provisions, etc.), zoning, and any other points of difference.

Following is a summary of the sale prices of the sales that were previously detailed:

Index #	Subject	1	2	3	4	5
Registration Date	N/A	May 16, 2015	April 11, 2013	February 9, 2012 (Previous Sale of Subject)	November 13, 2013	April 4, 2013
Location	Plantagenet, Alfred	2977 Greenland Rd., Ottawa	2965 Orser Rd., Kingston	3550 Concession 2, Wendover	8320 Walker Rd., Ottawa	723 Upper Dwyer Hill, Ottawa
Site Size	163 acres, 69% cleared land	88 acres, 50% cleared land	151.34 acres, 53% cleared land	163 acres, 69% cleared land	89.4 acres, 50% cleared land	100 acres, 82% cleared land
House	2,500 sq ft, 3 bdrm 2 baths farmhouse	1,200 sq ft, 3 bedroom, 1.5 bath, in-ground pool, plus apartment	2 dwellings, 1 3,600 sq ft, indoor pool, 2 nd 3 bedroom house	1 main house, 3 bdrm 2 baths, tired condition, dated fixtures	New construction, 2 bedrooms above grade, 2 baths, lower level apartment with walk out.	4 bedroom, 2.5 bathrooms, built in 1867, new addition 1970's completely renovated 2003, in ground pool
Barn and Outbuildings	60' x 22.5' Indoor Riding Arena/stable, 36 box stalls, 13 standing stalls, 1 wash stall tack shed, 2 barns, 12 cabins, canteen	60 x 120 indoor arena (not heated), 22 box stalls.	60 x 150 indoor arena, 5 outbuildings, including horse and hay barn (14 box stalls, 4 standing stalls, tack room), Quonset hut	12 cabins, barn (35 box stalls, 15 standing stalls), indoor arena, mess hall	80 x 200 indoor arena, 10 stall stable with tack room, 6 fenced fields.	80 x 160 insulated indoor arena(2006), barn, 11 stalls, tack room, feed room, 40 x 30 machine shed, 40 x 80 coverall
Sale Price	N/A	\$850,000	\$870,000	\$950,000	\$1,265,000	\$1,745,000
Comments	N/A	Inferior residence, inferior outbuildings, less acreage, inferior % of cleared land	Inferior location, slightly inferior outbuildings, similar indoor arena, superior residence	Inferior residence	Inferior residence, inferior arena, less % cleared land	Superior residence, superior arena and outbuildings, greater % of cleared land

ANALYSIS AND CONCLUSIONS
DIRECT COMPARISON APPROACH
Residence, Barns and Acreage

Analysis of Comparable Sales

The most applicable unit of comparison is the gross sale price. In deriving a market value estimate, consideration was given to the following factors relating specifically to the subject property.

Motivation: The motivation of both buyer and seller must be investigated to establish whether there was any undue pressure or reason for the sale of the property. An adjustment is made in instances where it has been found the sale price was distorted for reasons of finance, or human duress. These include forced sales due to bankruptcy or foreclosure, sales to close an estate, sales to parties who have a particular need for a specific property or sales to or by uninformed parties, etc. With Index #3, the sellers were motivated to sell, as several deals had fallen through, however, this did not have any significant effect on the eventual selling price. Index #5 was sold under Power of Sale which may have negatively affected the final selling price. Therefore this Index would require an upward adjustment.

The appraiser was not aware of any other circumstances surrounding any of the remaining sales which could be considered to have caused duress to either the buyer or the seller. As a result, no motivational adjustments were necessary.

Market Conditions: In addition to the foregoing sales, other sales, published data, re-sales and paired sales have been analyzed in order to determine any adjustments. Equestrian farm properties sales have remained somewhat flat over the recent years as there is a limited and specialized market for such properties. Therefore, no adjustments were required.

ANALYSIS AND CONCLUSIONS
DIRECT COMPARISON APPROACH
Residence, Barns and Acreage

Location: The subject property is located in the Plantagenet, Alfred Township, just north east of the City of Ottawa. All Indexes are located in rural settings with Indexes #1, #4 and #5 all equidistant from Ottawa, while Index #2 is located in close proximity to Kingston, a smaller community. Hence, this Index would need an upward adjustment. Index #3 is the previous sale of the subject property and does not require any adjustment.

Site Area and Physical Characteristics: It is common in the marketplace to recognize an adjustment where surplus and or excess land exists. The subject site area is 163.27 acres. The comparables range in site areas from 88 acres to 163 acres. Indexes #1, #4 and #5 are smaller in size and require an upward adjustment. Indexes #2 and #3 are deemed similar in size and do not require any adjustment.

The type and Class of soil is not a significant factor as the land is not utilized for crop production. What is more important is the amount of cleared land for pasture and paddocks. In this regard, the subject property has as its soil type a fine sand which allows for quick drainage of land rendering the fields usable even after a heavy rainfall. The subject also has approximately 112 acres cleared, or 69% of the land. Indexes #1, #2 and #4 have a lower percentage (50%, 53% and 50% respectively), and require an upward adjustment. Index #3 is the previous sale of the subject and has the same percentage. Index #5 has a greater percentage of cleared land (82%) and requires a downward adjustment.

Land Use Regulations: Each Index was researched and it was concluded that all Indexes in this analysis are located in zones that are Rural in nature and do not have a commercial zoning. However, all of the Indexes operate an equestrian riding facility which provides the same general utility of the subject. Therefore, the commercial zoning does not add any significant benefit to the subject property. Therefore no adjustment was required for land use.

ANALYSIS AND CONCLUSIONS
DIRECT COMPARISON APPROACH
Residence, Barns and Acreage

Building Characteristics: The subject property is a 2 storey, 2,500 sq ft residence with 3 bedrooms and 2 baths. It has been well maintained and has had some improvements to the interior since the purchase of the building. Index #1 is a smaller 1,200 sq ft home built in the 1980's with finished basement and an in-law suite. It is deemed inferior to the subject and requires an upward adjustment. Index #2 is a larger residence with 4 bedrooms and an indoor pool, there is also a refinished 3 bedroom bungalow. Overall, this Index is judged to be superior and requires a downward adjustment. Index #3 is the previous sale of the subject property, prior to the improvements the current owners have made and hence is judged to be inferior. Index #4 is a newly constructed house, similar in size, but finished to a superior degree of quality and warrants a downward adjustment. Index #5 is significantly larger and has been updated to all modern conveniences and is deemed superior to the subject and requires a downward adjustment.

In regard to arenas, all of the selected Indexes have indoor riding arenas, however they slightly vary in size and condition. Index #1 has a similar sized arena, but it is unheated and is judged to be inferior to the subject and requires an upward adjustment. Indexes #2 and #3 are similar in size and are both heated and hence do not require any adjustment. Index #4 is a larger arena and in newer condition and is judged to be superior. Index #5 is slightly larger and was built in 2003 and hence is newer and in superior condition warranting a downward adjustment.

Indexes #1 and #4 have inferior outbuildings with either less stalls or less utility than the subject buildings and require an upward adjustment. Index #2 has a similar number of outbuildings, in similar condition, but there are significantly less stalls available for boarding of horses and is judged to be overall inferior to the subject.

ANALYSIS AND CONCLUSIONS
DIRECT COMPARISON APPROACH
Residence, Barns and Acreage

Building Characteristics Cont'd: Index #3 is the previous sale of the subject and has only changed 2 standing stalls into a box stall, but overall is the same and does not require any adjustment. Index #5 buildings are superior in finish and condition, as they are newer, but have less stalls. Overall this sale is deemed slightly superior to the subject and requires a downward adjustment.

Economic Characteristics: The economic characteristics between the subject and the sales selected were also examined. All of the comparable sales were purchased for the operation of an equestrian facility and represent reasonably similar investments. No adjustment was required in this category.

Summary of Adjustments*

#	Unadjusted Gross Sale Price	Motivation	Market Conditions	Location	Site Area/ Cleared %	Residence	Arena/ Outbuilding	Economic
1	\$850,000	N	N	N	U/U	U	U/U	N
2	\$870,000	N	N	U	N/U	D	N/U	N
3	\$950,000	N	N	N	N/N	U	N/N	N
4	\$1,265,000	N	N	N	U/U	D	D/U	N
5	\$1,745,000	U	N	N	U/D	D	D/D	N

* not all variables weighted equally

ANALYSIS AND CONCLUSIONS
DIRECT COMPARISON APPROACH
Residence, Barns and Acreage

Conclusion: The subject property is a 163.27 acre equestrian farm with a 2,500 sq ft residence, 3 barns, an indoor riding arena, 12 cabins, a canteen and 3 mobile homes (not included in the valuation). It has been well maintained and is in good condition.

The lower limit to value is set by Index #2 which is located just outside Kingston, considered an inferior location with a lower percent of cleared land, it has similar outbuildings in similar condition, but has fewer stalls for the boarding of horses. The upper limit to value is set by Index #5 which has a significantly superior residence with a superior arena and outbuildings and has a higher percent of cleared lands. In examining Index #3 which is the previous sale of the subject property, we have found there have been some improvements to the residence since the purchase 3 years ago and hence this Index sets the lower limit to value. Index #4 also has a significantly superior residence and superior arena and overall is judged to be superior to the subject. Therefore the subject value should lie between Index #3 and Index #4 or between \$950,000 and \$1,265,000 with the subject value settling at the lower end of this range.

When all variables have been considered including motivation, market conditions, soil quality, building characteristics, a gross sale price of \$1,000,000 is judged reasonable.

ONE MILLION DOLLARS
(\$1,000,000)
Residence, Barns and Acreage

ADDENDA

STATEMENT OF LIMITING CONDITIONS.....I

APPRAISER'S CERTIFICATION.....IV

APPRAISER QUALIFICATIONS.....V

ZONING EXCERPTS.....VII

STATEMENT OF LIMITING CONDITIONS

This Summary Appraisal Report is prepared at the request of Sian Thomas for the purpose of estimating the current market value of the subject property located at 3550 Plantagenet Second Concession, Alfred & Plantagenet Township, Ontario. It is not reasonable for any person other than the above or their agents to rely upon this appraisal without first obtaining written authorization from the appraiser. There may be qualifications, assumptions or limiting conditions in addition to those set out below relevant to that person's identity or his intended use. This report is prepared on the assumption that no other person will rely on it for any other purpose and that all liability to all such persons is denied. It is assumed that:

- 1) The legal descriptions furnished by GeoWarehouse is correct;
- 2) Title to the property is good and marketable;
- 3) There are no encroachments, encumbrances, restrictions, leases or covenants that would in any way affect the valuation, except as expressly noted herein;
- 4) The existing use is a legally conforming use which may be continued by a purchaser from the existing owner;
- 5) Right-of-way, easements or encroachments over other real property and leases or other covenants noted herein are legally enforceable.

Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken which would verify these assumptions except as expressly noted herein.

The author is not a qualified surveyor. Sketches, diagrams, photographs, etc. are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves.

The author is not qualified to give engineering advice. It is assumed that there are no patent or latent defects in the subject improvements, that no objectionable materials are present, that they are structurally sound and in need of no immediate repairs, unless expressly noted within this report. No soil tests have been done, nor have tests been done of the heating, plumbing, electrical, air-conditioning or other systems and, for the purpose of this opinion, they are assumed to be in good working order.

No investigation has been undertaken with the local zoning office, the fire department, the building inspector, the health department or any other governmental regulator agency unless such investigation are expressly represented to have been made in this report. The subject must comply with such governmental regulations and, if it does not comply, its non-compliance may affect the market value. To be certain of compliance, further investigation may be necessary.

Neither possession of the report nor a copy of it carries with the right of publication. All copyright is reserved to the author and is considered confidential by the author and his client. It shall not be disclosed, quoted from or referred to, in whole or in part, or published in any manner, without the express written consent of the appraiser. This report is only valid if it bears the original signatures of the authors. This is subject only to confidential review by the Appraisal Institute of Canada as provided in the Code of Ethics, Standards of Professional Conduct and Standards of Professional Practices of the Institute.

Market data has been obtained, in part, from documents at the land registry office, or as reported by the real estate board. As well as using such documentation and generally reliable evidence of market transactions, it was also necessary to rely on hearsay evidence. Except as noted herein, a reasonable attempt has been made to verify all such information.

Due to the rapid change of market conditions (on occasion without warning), including economic, social and political conditions, the value expressed as of the date of this appraisal cannot be relied upon to estimate the market value as of any other date except with further advise of the appraiser. It is assumed that there are no outstanding liabilities except as expressly noted herein, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or lease agreement, which may affect the stated value or marketability of the subject property or portion thereof.

The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the shares could be affected by other considerations. Should title to the real estate presently be held (or changed to a holding) by partnership, in a joint venture, through a co-tenancy arrangement or by any other form of divisional ownership, the value of the fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.

In the event of syndication, the aggregate value of the limited partnership interest may be greater than the value of the freehold or fee simple interest (leased fee interest) in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provisions for tax shelters, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.

The estimated market value of the property referred to herein is predicated upon the condition that it would be sold on a cash basis to the vendor, on the basis of cash over typical market financing and subject to any contractual agreements and encumbrances as noted in this report. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.

Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any value arising therefore, have been described and measured in this report.

Extraordinary Assumptions and Limiting Conditions

An extraordinary assumption is a hypothesis, either supposed or unconfirmed which, if not true could alter the appraisers' opinions and conclusions (e.g. an absence of contamination where such contamination is possible, the presence of a sanitary sewer where unknown or uncertain). An extraordinary limiting condition is a necessary modification or exclusion of a Standard Rule which must be explained and justified by the appraiser (e.g. exclusion of a relevant valuation approach). The appraiser has concluded (before accepting the assignment involving invoking an Extraordinary Limiting Condition) that the scope of the work applied will result in opinions and conclusion which are credible. Accompanying statements of each opinion/conclusion so affected are included in the report where and if, required. **No extraordinary assumptions or limiting conditions were required.**

Hypothetical conditions may be used when they are required for legal purposes, for purposes of reasonable analysis or for purposes of comparison. Common hypothetical conditions include proposed improvements and prospective appraisals. For every hypothetical condition, an Extraordinary Assumption is required (see above). The analysis developed in this report (if based on a hypothetical condition as described herein) does not result in an appraisal report that is misleading, or that relies on actions or events that would be illegal or improbable within the context of the assignment. **No hypothetical conditions were required.**

Following (if applicable) is a description of each hypothetical condition applied to this report, the rational for its use and the effect on the result of the assignment.

Environmental Issues

The appraiser is not qualified to comment on environmental issues that may affect the market value of the property being appraised; including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including

but not limited to surface water or soil contaminants of any type, moulds mildews or the conditions that might give rise to either.

The property appraised is assumed to be in compliance with all regulatory environmental requirements, government or otherwise and free of any environmental condition, past, present or future, that might affect the market value being estimated.

If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property being appraised herein.

The distribution of value between land, buildings and other improvements applies only in regard to the purpose and function of this appraisal, as outlined in the body of this report.

The value expressed herein is in Canadian dollars. These Assumptions and Limiting Conditions shall read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.

APPRAISER'S CERTIFICATION

Re: 3550 Plantagenet Second Concession, Alfred & Plantagenet Township, Ontario

I/We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my/our personal, impartial and unbiased professional analyses, opinions and conclusions;
- I/We have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved;
- My/Our engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client;
- My/Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada;
- I/We have the knowledge and experience to complete the assignment competently;
- The use of this report is subject to the requirements of the Appraisal Institute of Canada relating to review by their duly authorized representatives;
- The property was personally inspected by Patrick D. Scott on January 11, 2016 (as well as at other times during the course of my (our) investigations and analysis).
- As of the date of this report, I, Robert C. Rivington, am currently certified under the mandatory recertification program and of the Appraisal Institute of Canada;
- Patrick D. Scott has provided professional assistance to the person signing this report in the preparation of this appraisal.

In my/our considered and professional opinion, the market value of the Fee Simple interest in the subject property, as of January 11, 2016 (effective date of the appraisal), is:

Home Farm, Improvements and 163.27 acres \$1,000,000

RIVINGTON ASSOCIATES COMMERCIAL DIVISION INC.

Patrick D. Scott
AIC Candidate Member

Date: January 18, 2016

Robert C. Rivington, AACI
Supervisory Appraiser

Date: January 18, 2016

APPRAISER QUALIFICATIONS

Patrick D. Scott, B.A.

Bachelor of Arts, (Economics/Statistics)

Rivington Associates Commercial Division Inc.

27 Herriott Street – Perth, ON – K7H 1T3

DESIGNATIONS AND QUALIFICATIONS

Appraisal Institute of Canada

Candidate Member # 904391

AFFILIATIONS

Appraisal Institute of Canada

Ontario Real Estate Association

Kingston Real Estate Board

Rideau St. Lawrence Real Estate Board

Ottawa-Renfrew Real Estate Board

EDUCATION

2007/2012	University of British Columbia Foundations of Real Estate Appraisal Residential Property Analysis Commercial Property Analysis Statistical and Computer Applications in Valuation
2010	Ontario Real Estate Association Real Property Law
1976/79	Trent University – Peterborough, Ontario Bachelor of Arts, (Economics/Statistics)

HISTORY AND EXPERIENCE

Appraisal Reports Completed on
Multi-Residential properties
Single Family Residences
Farms and Hobby Farms
Vacant Land
Commercial, Retail and Industrial properties

Robert C. Rivington, B. Comm. AACI P. App.

Bachelor of Commerce
Accredited Appraiser Canadian Institute
Professional Appraiser

DESIGNATIONS AND QUALIFICATIONS

Bachelor of Commerce
Carleton University
Accredited Appraiser Canadian Institute, AACI
Appraisal Institute of Canada

AFFILIATIONS

Appraisal Institute of Canada
Ontario Real Estate Association
Rideau St. Lawrence Real Estate Board
Ottawa-Renfrew Real Estate Board
National Golf Course Owners Association
Ontario Private Campground Association
Ontario Federation of Agriculture
Various Chamber of Commerce's within Eastern Ontario

EDUCATION

2005/2006 University of British Columbia Courses
Foundations of Real Estate Appraisal
Advanced Income Analysis
Commercial Property Inspection
Case Studies in Appraisal I & II
1989/1994 Carleton University – Ottawa, Ontario
Bachelor of Commerce, Honours

HISTORY AND EXPERIENCE

Appraisal Reports Completed on
Multi-Residential properties
Single family homes
Commercial, Retail and Industrial properties
Farms and Hobby Farms
Development land and tracts of Vacant land
Assessment reviews
Consultant in Real estate matters, i.e. land severances, Feasibility & Impact studies etc.

ZONING EXCERPTS

15.3 Exception Zones

- i) C4-1
2381 Principale Street – (0231-02000-115200) and
2299 Principale Street – (0231-02000-115040)
Schedule "A"

Notwithstanding the provisions of Section 15, "Rural Commercial Zone – C4", only a marina and associated accessory uses shall be permitted on the land zoned "C4-1" on Schedule "A" of this By-law.

- ii) C4-2
3550 Concession 2 - Plantagenet – (0231-02000-211400)
Schedule "A"

Notwithstanding the provisions of Section 15, "Rural Commercial Zone – C4", an equestrian establishment and a single detached dwelling house shall be permitted on the land zoned "C4-2" on Schedule "A" of this By-law. In addition, sleeping, cooking and eating facilities shall be permitted as temporary accessory uses to the main use (equestrian establishment). These accessory uses may take place only in the existing buildings on the property, which include twelve (12) cabins, three (3) converted mobile homes and a kitchen-dining room building.

For the purposes of the "C4-2" zone, an "equestrian establishment" shall mean an establishment primarily engaged in the operation of a riding school, including boarding, breeding and sale of horses and the temporary boarding of students.

- iii) C4-3
2891 Concession 3 - Plantagenet – (0231-02000-209600)
Schedule "A"

Notwithstanding the provisions of Section 15, "Rural Commercial Zone – C4", a reception hall, a wedding chapel and a sugar shack shall be permitted on the land zoned "C4-3" on Schedule "A" of this By-law.

- iv) C4-4
2277 Principale – Wendover – (0231-02000-115028)
Schedule "A"

Notwithstanding the provisions of Section 15, "Rural Commercial Zone – C4", the repair and the possible sale of boats shall be permitted on the land zoned "C4-4" on Schedule "A" of this By-law.

- v) C4-5
(Camping équestre)

(voir R5-1)

B



December 3rd, 2020

MNP LTD.

Court-Appointed Receiver for Stuart William Lackey & Catherine Lackey

Kind Attention of:

Mr. John Haralovich Senior Vice President

800-1600 Carling Avenue

Ottawa, ON K1Z 1G3

Re: Marketing Report: 3550 Plantagenet Second Line Road

Dear Sir,

We are pleased to provide you with the following statistical information regarding the marketing and successful sale of the property situated at 3550 Plantagenet Second Line Road, Wendover, Ontario:

Price Adjustments During Term of Listing:

February 7 th , 2020	Original List Price:	\$ 1,190,000.
June 19 th , 2020	Price Reduction	\$ 1,090,000.
September 17 th , 2020	Price Reduction	\$ 990,000.
October 3 rd , 2020	Conditional Sold	\$ 775,000.
December 1 st , 2020	Conditions Removed	\$ 740,000.

Marketing Exposure:

Signage	Yes	Continuous
Realtor.ca	Yes	Continuous
LoopNet	1,933 Viewings (90 Period)	Continuous
HorseProperties.Com	2,457 Viewings (Entire)	Continuous
Direct Communications	20 Unique Interactions	Continuous

Offer Schedule:

April 22 nd , 2020	Daniel Paquette (Verbal)	\$ 500,000.
	Countered at \$1,150,000	<i>No Response</i>
June 9 th , 2020	J. Rachon (Agent) Per Acre	\$ 1,000.
	Countered at \$3,500. Per Acre	<i>No Response</i>
October 3 rd , 2020	Marc Wray	\$ 775,000.
December 1 st , 2020	Marc Wray (Reduction)	\$ 740,000.

Gentry Real Estate Services Limited, Brokerage
1590 Dixie Street, Ottawa, ON, K1G 0P3 : GentryRES.com
Dir: 613.816.8306 : Tel: 613.230.6050 : Fax: 613.230.4418

Experience
is the Best Teacher.



Summary:

The property enjoyed considerable exposure during the term of the Listing with most interest coming from the combination of Third Party Listing Services – in this case, HorseProperties.Com and LoopNet.

There were only three Offers on the Property, two of which were countered without response. After considerable negotiation, the third Offer was accepted at \$775,000. It did have several conditions attached to it however which led to an extended condition period which was to be fulfilled by December 12th, 2020.

On November 28th, 2020, the Purchaser informed us that there were several concerns he had about proceeding with the sale. The Purchaser's primary concern was that his financial institution was not prepared to lend, using the subject property as security, until the property was successfully rezoned for the intended use, which, according to the Township, could take an additional six months to achieve. His secondary concern was the quickly depreciating condition of the main house. The roof is badly in need of repair and it was his belief that unless the Seller was prepared to repair/replace the roof, that the building would be of little value by the proposed closing date.

After lengthy negotiations, it was agreed that the Seller would reduce the purchase price of the property to \$740,000., with the understanding that the Purchaser would take it upon himself, at his own expense, to make the necessary repairs to the roof of the main house immediately to forestall any additional damage to the main house.

Submitted for your Information,

Frederick (Fred) Crouch FRI ACoM CLO CRES
Broker of Record
Gentry Real Estate Services Limited
Realtor

Since 1987

Gentry Real Estate Services Limited, Brokerage
1590 Dixie Street, Ottawa, ON, K1G 0P3 · GentryRES.com
Dir: 613.816.8306 · Tel: 613.230.6050 · Fax: 613.230.4418

Experience
Is the Best Teacher.

C

John Haralovich

From: Frederick Crouch <fred@gentryres.com>
Sent: November 23, 2020 3:34 PM
To: John Haralovich
Subject: 3550 Concession 2 Horse Farm / planning issues / required to complete 10/12/20
Attachments: image001.jpg

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

Hello John,

I received the email below and the attachment, along with email the Buyer received from the Township regarding the zoning change, this afternoon from the Buyer.

Submitted for your consideration....

Thank you John,

Fred



FREDERICK (FRED) CROUCH

Broker of Record | Realtor | Gentry Real Estate Services Limited
Since 1987

FRI (Fellow of the Real Estate Institute)
ACoM (Accredited Commercial Manager)
CLO (Certified Leasing Officer)
CRES (Certified Real Estate Specialist)
CRTDP (Certified in the Management of Distressed Properties)

Contact: fred@gentryres.com
(613) 816-8306
www.gentryres.com

Announcements: ***Interested in Investment Real Estate but don't know where to start? We have put together an Essential Core Course tailored specifically for those with limited or no real estate investment experience. To find out more about all this course offers, please visit us at: http://gentryres.com/courses/investment_essentials.html***

Before printing this e-mail, please consider whether a hard copy is necessary.

IMPORTANT - CONFIDENTIAL NOTICE

This message and any attachments are intended solely for the use of the individual or entity to whom it is addressed, and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify the sender immediately by return email and then permanently delete this message. Thank you.

From: Verseveld <versevelduk@gmail.com>
Sent: Monday, November 23, 2020 2:00 PM
To: Frederick Crouch <fred@gentryres.com>
Subject: 3550 Concession 2 Horse Farm / planning issues / required to complete 10/12/20

Hi Fred

Thanks for meeting this morning as you know we have a few issues on 3550 property being mainly the town does not easily accept the zoning for our project however she would re-look at it subject to further analysis and taking on an expert planner. (see details below in **bold** from town planner)

Secondly our company bank Desjardins will only finance the property once it has been zoned for our project (so a chicken and the egg scenario). I have tried other angles to finance based on it being a rental property but as you know the house needs alot of work and even once it is liveable would only generate maybe \$2k month before any costs so difficult to make investment argument on this basis.

We understand the various engineering /surveying / and zoning costs would be approx. \$60-\$70k and even after these expenditures it could still be rejected due to possible appeals as described below.

In summary for me to finalise on the sale Dec 10, 2020 I would need to finance this on a cash only basis and progress with the town over the next 6 months and hopefully get the zoning change with engineering / surveys / applications and expert planner costs which would need to be paid regardless.

If the zoning change is accepted all well and good.

However, i need to consider the risk if I purchase this for cash and this zoning falls through and I am left with the additional costs and a farm that if needs to be sold rapidly within 6 months would most likely be in the region of \$600-\$700k as you know current market and most purchases need to be mortgaged. (say \$625k after legal & sales commissions) which would result in a loss of approx. -\$215k (\$840k-\$625k)

not considering any interest on cash

(\$840k = current price \$775k + \$65k zone costs).

Therefore, I am asking for you to consider our original asking price of \$725k and I would agree to remove the original purchase conditions to still close as agreed on the 10/12/20

This \$50k difference is only 20-25% of my potential risk and I think is a fair compromise as otherwise I am unlikely able to go ahead at this stage.

Please get back to me at earliest as I would need to make plans for CAD funds from UK for the 10/12/20 closing as property purchase could not be mortgaged.

Sincerely

Marc

- email from town planner @ Alfred Plantagent

Hello Mark,

Here are my preliminary comments:

Zoning By-law 2009-50:

The property is presently zoned C4-2. A copy of the pertinent provisions is included herewith. A zoning amendment would be required in order to change the use of the property.

Official Plan of the United Counties of Prescott and Russell (OP):

The property is situated in the Rural Policy Area according to Schedule A of the OP. In this designation, quite a few uses are permitted. The complete list is included herewith. **However, the proposed project doesn't seem to fit in the Rural designation.**

The Urban Policy Area or the Community Policy Area seem to be more appropriate for the proposed use. A copy of the permitted uses is also included herewith. The main reason: servicing. Usually, those areas are fully serviced by municipal water and sanitary sewer. Therefore, such a project should preferably be located in a village where services are available.

A few features are affecting the property:

1. A mineral aggregate resource area identified on the property (brown dots). These resources are protected. Section 4.3.5.1 of the OP addresses this issue. A copy of this section is also included herewith.
2. Significant woodlands, wildlife travel corridors and wintering areas are present on the property.

When a project is proposed, studies are required. 1. Aggregate impact study and 2. Environmental impact study.

Since there are no services in that sector, a hydrogeological study would normally be the first step. However, since the proposed project doesn't figure in the permitted uses of the Rural designation, in my opinion, the subject site is not appropriate for this project. However, you have the option of getting a professional planner to prepare a planning rationale to analyze the different policies and features affecting the property. The analysis could show that the project is possible at this location.

These comments might be a bit confusing to understand. Feel free to contact me by phone. 613-673-4797 x 209 for more detailed explanations.

- List of work - Email from Engineer

The Official Plan Amendment and/or Zoning Amendment would require a detailed planning rationale, application form and site sketch. I think we can work off the sketch that you have done, perhaps with the

addition of a few more details, so I am going to assume that we do not need to do a detailed site sketch. We would participate in the public meeting with you or on your behalf for the following:

Application or agency reviews

engineering

surveying

legal or any other professional fees or services that may be required to support your project.

Applications filed under the Planning Act in Ontario are open to public and agency comment and review, and there is the potential for appeals.

Further costs are associated with an appeal, should one occur.

The biggest concerns that she has is 'Land Use Compatibility' and is your project a good fit for local settings and the current Official Plan designation "Rural" and "zoning" and if there are any amendment required.

This is why she would first regard a Land Use Compatibility Study along with a Planning Rationale after. She told me that she provided you with a list of planner.

Afterwards and if the Land Use Compatibility Study is favourable, other studies would be likely be Hydro G and Environmental Impact Study to support either OPA and ZBA amendments and the Site Plan Control, where civil plans will be required for that portion.

Call me if you need more details regarding this email.

- List of work - Email from Expert planner

Hi Marc. Thank you for your patience. I think I have located the property, and have reviewed the email from the planner. I believe the first task would be to assess whether your proposed use would be compatible with the surrounding land uses, and whether it would fit within the Official Plan or whether I could support an Official Plan Amendment if needed. This would include a discussion with staff. From there, I would be able to advise the next steps (Official Plan Amendment, Zoning Amendment, site plan, other studies) and provide my opinion on whether I believe this would be feasible. I can also provide a cost estimate for my tasks to assist as required.

If you would like to proceed, I would require the following:

- Roll number(s) for the property and complete legal description so I can ensure I am looking at the correct site

- Complete mailing address for invoicing purposes

Based on my current workload, it will likely take 3-4 weeks before I will be able to commence.

If you have any questions or if this does not describe the work that you require, please don't hesitate to contact me.

-See similar study done recently in Wendover

http://en.prescott-russell.on.ca/UserFiles/Servers/Server_2375121/File/Business/Zoning%20and%20planning/Official%20Plan/Amendments/Natural%20Environment%20Impact%20Assessment%20-%20Final%20-%20minus%20Appendix%20A1.pdf

--

Sent personally by MW

This message is intended only for the use of the Addressee and may contain information that is PRIVILEGED and CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please erase all copies of the message and its attachments and notify us immediately. Thank You

D

OFFER TO PURCHASE

TO: MNP Ltd. (the "Vendor" or "Receiver") in its capacity as court-appointed receiver, without security, of the lands and premises municipally known as 3550 2nd Concession Road, Wendover, Ontario, and all of the assets and undertakings of Santiago Saravia and Sian Fernandez Thomas (the "Debtor") acquired for or used in relation to the Debtor's operations of the said properties, pursuant to the Order of the Honourable Madam Justice Gomery of the Ontario Superior Court of Justice, dated January 30, 2020, in Court File No. CV-20000-82536-000 at Ottawa (the "Appointment Order"), and not in its personal capacity or corporate capacity.

1. Offer to Purchase

The undersigned, *Marc Wray & 6417604 Canada Inc. for a Corporation to be Formed* (the "Purchaser"), hereby offers to purchase from and through the Vendor all of the right, title and interest in and to the Property (hereinafter defined) which the Vendor is entitled to sell pursuant to the Appointment Order at the purchase price set out herein and upon and subject to the terms hereof.

2. Definitions

In this Offer and the Agreement arising from the acceptance hereof, the following terms have the meanings respectively ascribed to them:

"Agreement", "the Agreement" or "this Agreement" means the agreement of purchase and sale resulting from the acceptance of this Offer by the Vendor.

"Appointment Order" has the meaning ascribed thereto in the addressee line hereof.

"Approval" in relation to the Court means the making of an appropriate Order of the Court in respect of the particular matter submitted for approval approving the action or proposed action of the Vendor on terms satisfactory to the Vendor.

"Broker" has the meaning ascribed thereto in Section 3(a) hereof.

"Buildings" means the building(s), if any, situate on the Lands (as hereinafter defined) together with all other structures situate thereon, including all improvements thereto and all fixtures forming a part thereof.

"Business Day" means a day other than Saturday, Sunday or a statutory holiday in the Province of Ontario or any other day upon which the Vendor is not open for the transaction of business throughout normal business hours at its principal office.

"Closing" or "Closing Date" has the meaning ascribed thereto in Section 19 hereof.


DS
M/W

"Condition Date" has the meaning ascribed thereto in Section 5 hereof.

"Court" means the Ontario Superior Court of Justice and includes a judge, master or registrar of that court and any appellate court judge having jurisdiction in any particular matter.

"Deposit" has the meaning ascribed thereto in Section 3(a) hereof.

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

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

"HST" has the meaning ascribed thereto in Section 18 hereof.

"Indemnitees" has the meaning ascribed thereto in Section 26 hereof.

"Lands" means the lands legally described in Schedule "A" attached hereto.

"Lease(s)" means collectively, all leases, agreements to lease, tenancies, licenses, and any other rights of occupation of space in the Buildings or on the Lands, if any.

"Material Documents" includes copies of all architectural drawings, site plans relating to the Property, existing plans of survey, if any, the Leases(s), if any, and operating statements for the Building, if any, to the extent that such Material Documents are in the possession of the Vendor.

"Offer", "the Offer" or "this Offer" means the offer to purchase the Property made by the Purchaser and contained in and comprised of this document.

"Property" means collectively, the Lands and Buildings.

"Purchase Price" has the meaning ascribed thereto in Section 3 hereof.

"Purchaser's Conditions" has the meaning ascribed thereto in Section 5 hereof.

"TERS" has the meaning ascribed thereto in Section 19 hereof.



DB
M/W

"Vesting Order" has the meaning ascribed thereto in Section 7 hereof.

3. Purchase Price

DS
MN SEVEN

The purchase price for the Property shall be ~~Eight~~ *seventy-five* ~~Seven Hundred and Twenty-Five Thousand Dollars~~ *(\$75,000)* ~~(\$725,000.00)~~ *(\$75,000)*

payable in lawful money of Canada (the "Purchase Price"), subject to the adjustments hereinafter referred to in Section 9 hereof, and shall be paid by the Purchaser as follows:

- (a) a deposit of ~~Seventy-Five Thousand Dollars (\$75,000.00)~~ *(\$75,000)* (the "Deposit"), which shall not be less than 10% of the Purchase Price, shall be delivered to the Vendor's real estate broker, *Gentry Real Estate Services Limited* (the "Broker"), with submission of this Offer by a certified cheque or bank draft drawn on an account at a Canadian chartered bank or trust company payable to the Broker, as agent for the Vendor; and,
- (b) the balance of the Purchase Price for the Property shall be paid, subject to the adjustments hereinafter referred to, to the Vendor on the Closing Date by wire transfer through a Canadian chartered bank or trust company to the Vendor's lawyers (or as the Vendor or its lawyers may direct).

4. Deposit

The Deposit shall be held in trust by the Broker, on behalf of the Vendor, and shall be:

- (a) returned to the Purchaser without interest or deduction if the Vendor does not accept this Offer;
- (b) credited to the Purchaser as an adjustment against the Purchase Price on the Closing Date if the purchase and sale of the Property is completed pursuant to the Agreement;
- (c) returned to the Purchaser with interest and without deduction if the purchase and sale of the Property is not completed pursuant to the Agreement, provided that the Purchaser is not in default under this Offer or under the Agreement; or
- (d) released by the Broker to the Vendor and retained by the Vendor as a genuine pre-estimate of liquidated damages and not as a penalty, in addition to any other rights and remedies that the Vendor may have under this Offer, the Agreement and at law, including offering the Property for sale to another person, if the purchase and sale of the Property is otherwise not completed pursuant to this Offer and the Agreement, as a result of the Purchaser's breach hereunder.

DS
MN

5. Purchaser's Conditions

Notwithstanding anything to the contrary herein contained, the Agreement is conditional to the Purchaser until 5:00 o'clock p.m. (Ottawa time) on *December 11th, 2020* (the "Condition Date") and is subject to the Purchaser satisfying itself in its sole, absolute and unfettered discretion with all matters relating to the Property, including without limitation, zoning matters, the Leases, if any, and the suitability and economic viability of the Property for the Purchaser's use, the physical condition of the Property, soil conditions, the environmental condition of the Property and the surrounding real property and the results of its other due diligence tests, inspections and investigations, *and upon the receipt of Federal Government Contract Approval for the use of the Buyer's Training Facility (Intended Use of the Subject Property)* (collectively, the "Purchaser's Conditions"). *Subject to HCO*

 ^{DS}
MW

The Purchaser's Conditions are for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time on or before the Condition Date, any such waiver to be made in writing by the Purchaser or its solicitors. In the event that the Purchaser has not, on or before the Condition Date, waived the Purchaser's Conditions or provided the Vendor with written confirmation that the Purchaser's Conditions have been satisfied, this Agreement shall be null and void and the Deposit shall be returned to the Purchaser with interest and without deduction and the Vendor and the Purchaser shall have no further obligations to each other with respect hereto.

6. Acceptance of Offer

The Purchaser agrees that no agreement for the purchase and sale of the Property shall result from this Offer unless and until this Offer has been accepted by the Vendor and Approval has been obtained from the Court in accordance with the provisions of Section 7 hereof. The Purchaser agrees that this Offer shall be irrevocable by the Purchaser and open for acceptance by the Vendor until 5:00 o'clock p.m. (Ottawa time) on *September 18th, 2020*, after which time, if not accepted by the Vendor, this Offer shall be null and void and the Deposit shall be returned to the Purchaser in accordance with Section 4(a) hereof. The Vendor shall indicate the date on which it has accepted this Offer in the space provided on the execution of this Offer.

7. Court Approval

The Purchaser hereby acknowledges and agrees that the sale of the Property is by, and subject to, Approval of the Court. The Vendor shall, forthwith after waiver of the Purchaser's Conditions, or after the acceptance by the Vendor of the Offer if there are no Purchaser Conditions, bring a motion to the Court for Approval of the Agreement and an order vesting title to the Property in the Purchaser (the "Vesting Order"). The Vendor shall diligently pursue such motion on notice to the Purchaser and shall promptly notify the Purchaser of the disposition thereof. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the

 ^{DS}
MW

OS
MW

C/D

Purchaser's power as the Vendor may reasonably require to obtain Approval of the Agreement. If the Court shall not have granted Approval of the Agreement within ~~thirty~~ ^{as amended} ~~(30)~~ ^{faculties} Business Days of waiver of the Purchaser's Conditions, or within ~~thirty~~ ⁽³⁰⁾ days of the Vendor's acceptance of the Offer if there are no Purchaser Conditions, the Agreement shall automatically be terminated, unless the parties otherwise agree in writing. If the Agreement is terminated under any provision of this Section, the Deposit and any interest earned thereon shall be returned to the Purchaser in accordance with Section 4(c) hereof and neither party shall have any further rights or liabilities hereunder.

MW

8. Capacity of Receiver

The Vendor, by acceptance of the Offer, is entering into the Agreement solely in its capacity as the Court-appointed receiver, without security, of the Property and all of the assets and undertakings of the Debtor acquired for or used in relation to the Debtor's operations at the Property, and not in its personal, corporate or any other capacity. Any claim against the Receiver shall be subject to the Appointment Order and limited to and only enforceable against the assets, undertakings and properties then held by or available to it in its said capacity and shall not apply to its personal property and/or any assets held by it in any other capacity. The Vendor shall have no personal or corporate liability of any kind, whether in contract or in tort or otherwise. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Property.

9. Adjustments

The Purchase Price for the Property shall be adjusted as of the Closing Date in respect of realty taxes, flat/fixed water and sewer rates and charges, utility deposits, if any, and all other items usually adjusted with respect to properties similar to the Property that apply, save and except for rent or any matters related to the Lease(s), if any. Such adjustments shall be pro-rated where appropriate for the relevant period on the basis of the actual number of days elapsed during such period to the Closing Date itself to be apportioned to the Purchaser. There shall be no adjustment in respect of (a) prepaid rents, or, (b) rent or other moneys payable to the Vendor under the Lease(s), if any, in respect of periods prior to the Closing which remain unpaid as at Closing

10. Termination of Agreement

Notwithstanding anything to the contrary contained in this Agreement, if at any time or times prior to the Closing Date, the Vendor is unable to complete this Agreement as a result of any action taken by an encumbrancer, any action taken by the present registered owner, the refusal by the present registered owner, to take any action, the exercise of any right by the present registered owner or other party which is not terminated upon acceptance of this Agreement, a certificate of pending litigation is registered against the

OS
MW

Property, a court judgment or order is made, or, if the Purchaser submits valid title requisition which the Vendor is unable or unwilling to satisfy prior to Closing, or if the sale of the Property is restrained at any time by a court of competent jurisdiction, the Vendor may, in its sole and unfettered discretion, elect by written notice to the Purchaser, to terminate this Agreement, whereupon the Deposit and any interest earned thereon shall be returned to the Purchaser in accordance with Section 4(c) hereof, and neither party shall have any further rights or liabilities hereunder.

The obligation of the Vendor to complete the Agreement is subject to the satisfaction of the following terms and conditions on or prior to the Closing Date, which conditions are for the sole benefit of the Vendor and which may be waived by the Vendor in its sole discretion:

- (a) the representations and warranties of the Purchaser herein being true and accurate as of the Closing Date;
- (b) no action or proceeding at law or in equity shall be pending or threatened by any person, firm, government, government authority, regulatory body or agency to enjoin, restrict or prohibit the purchase and sale of the Property;
- (c) the Property shall not have been removed from the control of the Vendor by any means or process;
- (d) no party shall take any action to redeem the Property; and
- (e) the Court shall have granted Approval of this Agreement and shall have granted the Vesting Order.

11. Purchaser's Acknowledgements

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

- (a) it is responsible for conducting its own due diligence, searches and investigations of the current and past uses of the Property;
- (b) the Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Property is or will be lawful or permitted;
- (c) it is satisfied with the Property and all matters and things connected therewith or in any way related thereto;
- (d) it is relying entirely upon its own due diligence, investigations and inspections in entering into this Agreement;

- (e) it is purchasing the Property on an "as is, where is" and "without recourse" basis including, without limitation, outstanding work orders, deficiency notices, compliance, requests, development fees, imposts, lot levies, sewer charges, zoning and building code violations and any outstanding requirements which have been or may be issued by any governmental authority having jurisdiction over the Property;
- (f) it relies entirely on its own due diligence, judgment, inspection and investigation of the Property and acknowledges that any documentation relating to the Property obtained from the Vendor has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Offer;
- (g) it will provide the Vendor with all requisite information and materials, including proof respecting source or funds, at any time or times within forty-eight (48) hours of any such request by the Vendor so that the Vendor may determine the creditworthiness of the Purchaser and any related parties thereto;
- (h) the Vendor shall have no liability or obligation with respect to the value, state or condition of the Property, whether or not the matter is within the knowledge or imputed knowledge of the Vendor, its officers, employees, directors, agents, representations and contractors;
- (i) the Vendor has made no representations or warranties with respect to or in any way related to the Property, including without limitation, the following: (i) the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Property, either stated or implied; and (ii) the environmental state of the Property, the existence, nature, kind, state or identity of any Hazardous Substances on, under, or about the Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law now in existence, or the state, nature, kind, identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Substances whether on, under or about the Property or elsewhere;
- (j) the Material Documents are being provided to the Purchaser merely as a courtesy and without any representations or warranties whatsoever; and

(k) it will ensure that any environmental and/or structural reports on behalf of the Purchaser shall also be addressed to the Vendor and a copy of each such report shall be delivered to the Vendor promptly after the completion thereof, regardless of whether the transaction contemplated by this Offer closes. If for any reason such transaction is not consummated, the Purchaser agrees to deliver promptly to the Vendor any and all reports and other data pertaining to the Property and any inspections or examinations conducted hereunder.

(l) The Purchaser acknowledges that the property lies within, partially within, adjacent to or within two kilometers of an area zoned, used or identified for agricultural and food production activities and that such activities occur in the area. These activities may include intensive operations that cause discomfort and inconveniences that involve, but are not limited to dust, noise, flies, light, odor, smoke, traffic, vibration, operating of machinery during any 24 hour period, storage and utilization of manure and the application by spraying or otherwise of chemical fertilizers, soil amendments, herbicides and pesticides. One or more of these inconveniences have protection in Ontario under the *Farming and Food Production Protection Act*.

(m) The Purchaser understands and acknowledges that the Purchaser is taking title to the real property knowing that the property tax rate may be based in part on a calculation of a property class that will not apply to the Purchaser on completion. The Purchaser further acknowledges that the Purchaser will have to make application to qualify for the Farmland Class tax rate defined under the *Assessment Act of Ontario, Regulation 282, 1998, Ontario Fair Assessment System* and if the property does not qualify for the Farmland Class tax rate, the Purchaser's property tax rate may be substantially higher than the current rates that may or may not apply to the property at this time.

BOTH THE BUYER AND SELLER

DS
MLW

12. Title to the Property

Property is Under \$1000 BY
The Vendor will continue to market the
Property and the Purchaser will accept 15 days
notice to vacate and complete and disburse title
leads to prepared by
except upon
offer

Upon Closing, title to the Property shall be good and free from all restrictions, charges, liens, claims and encumbrances, except as otherwise specifically provided in this Agreement, and save and except for:

- (a) any reservations, restrictions, rights of way, easements or covenants that run with the land;
- (b) any registered agreements with a municipality, region or supplier of utility service including, without limitations, electricity, water, sewage, gas, telephone or cable television or other telecommunication services;
- (c) all laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Property;

DS
MLW

- (d) any minor easements for the supply of utility services or other services to the Lands or Buildings, if any, or adjacent properties;
- (e) encroachments disclosed by any error or omission in existing surveys of the Lands or neighbouring properties and any title defects, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the Lands and survey of the Lands and survey matters generally;
- (f) the exceptions and qualifications set forth in the *Registry Act* (Ontario) or the *Land Titles Act* (Ontario), or amendments thereto;
- (g) any reservation(s) contained in the original grant from Crown;
- (h) the Lease(s), if any, and the right of any tenant, occupant, lessee or licensee to remove fixed equipment or other fixtures;
- (i) subsection 44(1) of the *Land Titles Act* (Ontario) except paragraphs 11 and 14;
- (j) provincial succession duties and escheats or forfeiture to the Crown;
- (k) the rights of any person who would, but for the *Land Titles Act* (Ontario) be entitled to the Lands or any part of it through length of adverse possession, prescription, misdescription or boundaries settled by convention;
- (l) any lease to which subsection 70(2) of the *Registry Act* (Ontario) applies; and
- (m) those registrations set out in Schedule "C" attached hereto.

Notwithstanding the foregoing, the Vesting Order shall provide for the deletion of the instruments or registrations listed in Schedule "B" attached hereto, and for the deletion of any filings under the *Personal Property Security Act* (Ontario), as they affect the Property.

13. Authorizations

The Purchaser shall assume, at its cost, complete responsibility for compliance with all municipal, provincial and federal laws insofar as the same apply to the Property and the use thereof by the Purchaser. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Vendor's right, title and interest, if any, in the Property.



14. Requisition Period

The Purchaser shall be allowed *five (5)* business days from the date of waiver of the Purchaser's Conditions, or shall be allowed until 5:00 o'clock p.m. (Ottawa time) on *December 18th, 2020*, if there are no Purchaser Conditions, to investigate the title to the Property and to satisfy itself that all present uses are the legal uses thereof or legal nonconforming uses which may be continued and that the Property may be insured against usual insurable risks, at the Purchaser's own expense.

If within such time the Purchaser shall furnish the Vendor in writing with any valid objection to title to the Property, which the Vendor is unable or unwilling to remove, remedy or satisfy and which the Purchaser will not waive, then the Agreement shall be terminated, the Deposit and any interest earned thereon shall be returned to the Purchaser in accordance with Section 4(c) hereof and neither party shall have any further rights or liabilities hereunder. Save as to any valid objection made as aforesaid or which the law allows to be made and is made after expiry of the aforesaid period, the Purchaser shall be conclusively deemed to have accepted the title to the Property to be vested in the Purchaser on Closing in accordance with the Agreement, and to have accepted the Property subject to all applicable laws, by-laws, regulations, easements and covenants affecting its use and the Purchaser shall assume responsibility from and after the Closing Date for compliance therewith. The Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the Lands, except as are in the control or possession of the Vendor. The Vendor shall not be required to produce any other document or report to the Purchaser, unless it is expressly provided for by this Agreement and in the control or possession of the Vendor. The description of the Property is believed by the Vendor to be correct but, if any statement, error or omission shall be found in the particulars thereof, the same shall not cancel the sale or entitle the Purchaser to be relieved of any obligation hereunder, nor shall any compensation be allowed to the Purchaser in respect thereof.

15. Leases

The Purchaser acknowledges and agrees that:

- (a) the Property may be subject to Lease(s);
- (b) the Vendor makes no representation or warranty respecting the accuracy and completeness of any Lease(s), if any;
- (c) the Purchaser will purchase the Property subject to the terms and conditions of the Lease(s), if any, without representation or warranty (whether expressed or implied) of any kind or type from the Vendor relating to the Leases, including without limitation, (i) the enforceability of same (ii) whether the Leases accurately reflect the correct arrangement



DS
MN

with the tenant(s) (iii) whether the tenants are in possession thereunder and/or paying rents in accordance thereof (iv) whether there are any ongoing unresolved disputes relating to the provisions of the Lease(s) or any parties' obligations thereunder and (v) whether any party or parties to the Lease(s) is or are in default of any obligations contained therein;

- (d) the Vendor shall not be required to make any adjustments to the Purchase Price for current rentals or prepaid rents or security deposits which may have been received by the Vendor or any other party;
- (e) the Vendor shall not be required to produce acknowledgements from the tenant(s) respecting the status of the Lease(s), if any; and
- (f) the Vendor is not required to deliver vacant possession, nor does it represent or warrant that it can deliver vacant possession.

The Vendor will execute and deliver or cause to be executed and delivered to the Purchaser on the Closing Date an assignment of any interest which the Vendor may have in the Lease(s).

16. Risk of Loss

All buildings on the Property and all other things being purchased shall be and remain until completion at the risk of the Vendor.

The Property shall thereafter be at the risk of the Purchaser. Pending completion, the Vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interest may appear and in the event of substantial damage to the Property before the completion of the Agreement which damage gives rise to any insurance proceeds, the Purchaser may either terminate this Agreement and have the Deposit returned without interest or deduction or else take the proceeds of insurance and complete the transaction. Where any damage is not substantial, the Purchaser shall be obliged to complete the Agreement and be entitled to the proceeds of insurance referenced to such damage. The Purchaser agrees that all the insurance maintained by the Vendor shall be cancelled on the Closing Date and that the Purchaser shall be responsible for placing its own insurance thereafter.

17. Planning Act

This Agreement is subject to the express condition that if the provisions of Section 50 of the *Planning Act* (Ontario) apply to the sale and purchase of the Lands, then this Agreement shall be effective to create an interest in the Lands only if such provision is complied with.

 ^{DS}
MW

18. Harmonized Sales Tax

The Purchaser hereby represents and warrants to the Vendor that it is or will become registered for the purposes of Part IX of the *Excise Tax Act* (Canada) in accordance with the requirements of Subdivision (d) of Division V thereof and it will continue to be so registered as of the Closing Date. The Purchaser covenants to deliver to the Vendor drafts not less than five (5) Business Days before the Closing Date and originals upon Closing of: (i) a notarial copy of the certificate evidencing its registration for purposes of the goods and services tax / harmonized sales tax ("HST"), including the registration number assigned to it; and (ii) a declaration and indemnity of the Purchaser confirming the accuracy, as at Closing, of the representations and warranties set out herein and agreeing to indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay the HST payable in respect of the sale of the Property under Part IX of the *Excise Tax Act* (Canada) and that the Purchaser is buying for its own account and not as trustee or agent for any other party. Provided that the Purchaser delivers a notarial copy of the certificate and the declaration and indemnity as set out above, the Purchaser shall not be required to pay to the Vendor, nor shall the Vendor be required to collect from the Purchaser, the HST in respect of the Property. In the event that the Purchaser shall fail to deliver the notarial copy of the certificate and the declaration and indemnity as set out above, then the Purchaser shall pay to the Vendor, in addition to the Purchase Price, in pursuance of the Purchaser's obligation to pay and the Vendor's obligation to collect HST under the provisions of the *Excise Tax Act* (Canada), an amount equal to thirteen (13%) percent of the Purchase Price, or such rate due and owing at the time of Closing.

19. Closing

Closing shall take place on the date which is ten (10) Business Days following the later of the granting of Approval of the Agreement by the Court and issuance of the Vesting Order, or such other date as the parties or their respective solicitors may mutually agree upon in writing (the "Closing Date" or "Closing"). Each party covenants and agrees to proceed expeditiously to complete the transaction of purchase and sale contemplated herein. Provided that the Vendor by written notice to the Purchaser or its solicitors may postpone the Closing Date from time to time, but in no event shall the date of Closing be postponed to a date more than thirty (30) days after original Closing Date. The Vendor and the Purchaser acknowledge that the Teraview Electronic Registration System ("TERS") is operative and mandatory in the Land Titles Division for the Land Registry Office of Ottawa (No. 4). The Purchaser and Vendor shall each retain legal counsel who are authorized TERS users and who are in good standing with The Law Society of Ontario. The Vendor and Purchaser shall each authorize their respective legal counsel to enter into a document registration agreement in the form as adopted by the joint LSUC (LSO)-CBAO Committee of documents and closing funds and the release thereof to the Vendor and Purchaser, as the case may be:

AT- 

- (a) shall not occur contemporaneously with the registration of the Transfer/Deed of Land or Application to Register the Vesting Order, and Receiver's certificate required by the Vesting Order (and other registerable documentation, if any) to be registered by the Purchaser's solicitor; and,
- (b) shall be governed by the document registration agreement pursuant to which legal counsel receiving any documents or funds will be required to hold same in escrow and will not be entitled to release except in strict accordance with provisions of the document registration agreement and the Purchaser shall be required to deliver the balance due on closing on the Closing Date to the Vendor's solicitors, to be held in escrow by them, whereupon the Vendor's solicitors shall after payment forthwith attend to have the signed Receiver's Certificate filed with the Court, which signed and entered Receiver's Certificate and Vesting Order shall form part of the Application to Register the Vesting Order, and which shall be delivered by the Vendor's solicitors to the Purchaser's solicitors for immediate registration by the Purchaser's solicitors. Upon registration of the Application to Register the Vesting Order, the Vendor shall release possession of the Property to the Purchaser and the balance due on closing shall be released from escrow.

20. Vendor's Closing Deliveries

The Vendor shall execute and deliver or cause to be executed and delivered to the Purchaser on the Closing Date, against payment of the Purchase Price, the following:

- (a) a statement of adjustments;
- (b) a direction for the payment of the balance of the Purchase Price due on Closing;
- (c) an undertaking by the Vendor to readjust all items on the statement of adjustments within thirty (30) days from the date of Closing on written demand;
- (d) a certificate of the Vendor to the effect that it is not at the Closing Date a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act*;
- (e) a copy of the Vesting Order;
- (f) an assignment of any interest which the Vendor may have in the Lease(s), if any;
- (g) keys that may be in the possession of the Vendor, if any;
- (h) a notice to the tenant(s) under the Lease(s), if any, to pay future rents to the Purchaser, or as the Purchaser may direct;



DS
MW

- (i) copies of all Material Documents, if not already in the possession of the Purchaser; and
- (j) any other documents relative to the completion of this Agreement as may reasonably be required by the Purchaser or its solicitors.

21. Purchaser's Closing Deliveries

The Purchaser shall execute and deliver to the Vendor on the Closing Date the following:

- (a) wire transfer for the balance of the Purchase Price and any other monies required to be paid by the Purchaser pursuant to the Agreement, or the adjustments, including all applicable federal and provincial taxes, duties and registration fees unless the applicable exemption certificates in a form acceptable to the Vendor are presented to the Vendor on or before the Closing Date to exempt the Purchaser therefrom;
- (b) all certificates, indemnities, declarations and other evidences contemplated hereby in form and content satisfactory to the Vendor's solicitors, acting reasonably;
- (c) an undertaking by the Purchaser to readjust all items on the statement of adjustments;
- (d) a notarial copy of its HST registration and HST certificate and indemnity as required pursuant to this Agreement;
- (e) an agreement to assume all existing Leases, if any, service and supply contracts in place as of Closing;
- (f) the indemnities required to be delivered by the Purchaser to the Vendor pursuant to Section 26 hereof;
- (g) the release and discharge required to be delivered by the Purchaser to the Vendor pursuant to Section 27 hereof; and,
- (h) any other documents relative to the completion of this Agreement as may reasonably be required by the Vendor or its solicitors.

22. Inspection

Without limitation, all of the Property shall be as it exists on the Closing Date with no adjustments to be allowed to the Purchaser for changes in conditions or qualities from the date hereof to the Closing Date. The Purchaser acknowledges and agrees that the Vendor is not required to inspect the Property or any part thereof and the Purchaser shall be




deemed, at its own expense to have relied entirely on its own inspection and investigation. The Purchaser acknowledges that no warranties or conditions, expressed or implied, pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.

23. Encroachments

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Lands or Buildings, if any, or encroachments of the Property onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting the Property.

24. Purchaser's Warranties

The Purchaser represents and warrants that:

- (a) if applicable, it is a corporation duly incorporated, organized and subsisting under the laws of Canada, Ontario or another province of Canada;
- (b) if applicable, it has the corporate power and authority to enter into and perform its obligations under the Agreement and all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of the Offer and resulting Agreement and the Offer has been duly executed and delivered by the Purchaser, and the resulting Agreement is enforceable against the Purchaser in accordance with its terms; and
- (c) it is not a non-Canadian for the purpose of the *Investment Canada Act* (Canada) and it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

25. Confidentiality

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

26. Indemnification

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

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

27. Release

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

28. Non-Registration

The Purchaser hereby covenants and agrees not to register this Offer or the Agreement or notice of this Offer or the Agreement or a caution, certificate of pending litigation, or any other document providing evidence of this Offer or the Agreement against title to the Property. Should the Purchaser be in default of its obligations under this Section, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Offer or the Agreement, caution, certificate of pending litigation or other document providing evidence of this Offer or the Agreement or any assignment of this Offer or the Agreement from the title to the Property. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Offer or the Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property.

29. Assignment

Save and except for the completion of this transaction by a company to be incorporated by the Purchaser, the Purchaser shall not have the right to assign its rights under this Agreement without the Vendor's prior written consent, which consent may be unreasonably withheld. Notice of the Purchaser's intention to assign, with the assignee's name and address for service and the assignee's HST number shall be provided to the Vendor not less than seven (7) Business Days prior to the Closing Date.

30. Notices

Any notice to be given or document to be delivered to the parties pursuant to this Agreement shall be sufficient if delivered personally or sent by email or sent by facsimile or mailed by prepaid registered mail at the following addresses:

To Vendor:

MNP LTD.
1600 Carling Avenue, Suite 800
Ottawa, ON

Attention: John Haralovich
Email: john.haralovich@mnp.ca
Fax: (613) 691-4262

with a copy to (which shall not constitute notice):

Merovitz Potekin
Barristers & Solicitors

*Nalwood
Capital
Law*

[Signature] ^{DS}
[Initials]

1565 Carling Avenue
~~Suite 300~~
Ottawa, Ontario
~~K1Z 8R1~~

Attention: Robert De Toni
Email: ~~rob@mpottawa.com~~ *emp. rob@nationalcapital.law.com*
Fax: ~~613-563-4577~~

and in the case of a notice to the Purchaser, to:

Marc Wray

2892 Presqu'île Ch, Lefevre, ON K0B 1J0

Email: versevelduk@gmail.com

Fax:

with a copy to the Purchaser's solicitors:

Email:

Fax:

Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or sent by email or sent by facsimile or, if mailed, three (3) Business Days after the deposit with the post office.

31. Entire Agreement

The Agreement shall constitute the entire agreement between the parties to it pertaining to the subject matter thereof and shall supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there shall be no agreements or understandings between the parties in connection with the subject matter thereof except as specifically set forth herein. No party hereto has relied on any express or implied representation, written or oral, of any individual or entity as an inducement to enter into the Agreement.



32. Amendment

No supplement, modification, waiver or termination of the Agreement shall be binding, unless executed in writing by the parties to be bound thereby, provided that the time provided for doing any matter or thing contemplated herein may be abridged or extended by written agreement, in letter form or otherwise, executed by the duly authorized solicitors for the parties.

33. Time of Essence

Time shall be of the essence in this Agreement in all respects and any waiver of any time provision shall not be effective unless in writing and signed by both parties.

34. Binding Agreement

This Offer, when accepted, shall constitute a binding agreement of purchase and sale subject to its terms. It is agreed that there is no representation, warranty, collateral agreement or condition affecting the Agreement or the Property supported hereby other than as expressed herein in writing.

35. Governing Law

This Offer and the Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

36. Gender. Interpretive Matters

This Offer and the Agreement shall be read with all changes of gender or number required by the context. The titles to provisions do not form part of this Offer or the Agreement and are inserted for reference purposes only. Preparation and submission of the form of this Offer or any other material by the Vendor shall not constitute an offer to sell.

37. Severability

Any provision of this Agreement which is determined to be void, prohibited or unenforceable shall be severable to the extent of such avoidance, prohibition or unenforceability without invalidating or otherwise limiting or impairing the other provisions of this Agreement.

21

 DS
MLW

38. Non-Merger

The provisions of this Agreement (including, without limitation, the representations and warranties of the Purchaser), shall survive Closing and shall not merge in the Vesting Order or in any other documents delivered hereunder.

39. Counterparts

The parties hereto agree that this Agreement may be executed in counterparts and by facsimile transmission and each such counterpart so executed by facsimile transmission shall be deemed to be an original and when taken together shall constitute as one and the same Agreement.

40. Contra Proferentum Rule

This Agreement and all Schedules thereto have been drafted with the equal participation of the all parties hereto and the parties hereto hereby acknowledge and agree that the *contra proferentum* rule has no application.

41. Legal Advice

The parties also acknowledge and agree that they have received independent legal advice with respect to the terms and provisions of this Agreement. They further agree and acknowledge that they have freely elected to enter into this Agreement without any form of duress and that they have not been induced to enter into this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Purchaser has executed this Offer this 11th day of September, 2020.

PURCHASER:

By: Marc Wray DocuSigned by: 9/12/2020
Name: Marc Wray & 6417604
Canada Inc.
Title: President

I have authority to bind the corporation.

Subject to the Approval of the Court, the undersigned hereby accepts the foregoing Offer this 15 day of September, 2020

MNP LTD.

in its capacity as court-appointed receiver, without security of the Property of the Debtor and not in its personal or corporate capacity

Telephone: (613) 691-6262
Fax: (613) 726-9009
E-mail: john.haralovich@mnp.ca

Per: [Signature]
Name: John Haralovich

Title: SVP
I have authority to bind the Corporation

Offer to Purchase

SCHEDULE "A"

Legal Description of Property

PT N PT LT 35 CON 2 NORTH PLANTAGENET; PT LT 36 CON 2 NORTH
PLANTAGENET AS IN R35776 EXCEPT PT 1 & 2 46R6438; S/T THE RIGHTS OF
OWNERS OF ADJOINING PARCELS, IF ANY, UNDER R109702, R127949;
ALFRED/PLANTAGENET

PIN 54102-0054 (LT)

Offer to Purchase



OS
MUN

SCHEDULE "B"

INSTRUMENTS TO BE DELETED FROM TITLE

PIN 54102-0054

- PT39229
- PT39230
- PT39231
- PT54966

SCHEDULE "C"

REGISTRATIONS TO BE PERMITTED

1. The reservations, limitations, provisions and conditions expressed in the original grant from the Crown and all unregistered rights, interests and privileges in favour of the Crown under or pursuant to any applicable statute or regulation.
2. Any subdivision agreement, development agreement, servicing agreement, site plan agreement or any other agreement, document, regulation, subdivision control by-law or other instrument containing provisions relating to the Lands or the use, development, installation of services and utilities or the erection of buildings or other improvements in or on the Lands.
3. All easements, licenses, rights-of-way, watercourses and rights (and all reference plans with respect thereto), whether registered or unregistered, including without limitation those for access or for the installation and maintenance of public and private utilities and other services including without limitation, telephone lines) hydro-electric lines, gas mains, water mains, sewers and drainage and other services or for the maintenance, repair or replacement of any adjoining building or lands, including any cost sharing agreement relating thereto, or any right of re-entry reserved by a predecessor in title.
4. Any restrictive covenants and building restrictions affecting the Lands.
5. Any defects of title or encroachments by or onto the Lands, whether by gardens, fences, trees, buildings, foundations, or other structures or things, which may be revealed by any survey or reference plan of the Lands, whether now in existence or not.
6. Utility agreements, and other similar agreements with authorities or private or public utilities affecting the Lands.
7. Liens for taxes, local improvements, assessments or governmental charges or levies not at the time due or delinquent.
8. Undetermined, inchoate or statutory liens and charges (including, without limitation, the liens of public utilities, workers, suppliers of materials, contractors, subcontractors, architects and unpaid vendors of moveable property) incidental to any current operations of the Lands which have not been filed pursuant to any legal requirement or which relate to obligations not yet due or delinquent.
9. Zoning restrictions, restrictions on the use of the Lands or minor irregularities in title thereto.
10. The reservations, limitations, conditions and exceptions to title set out in the *Land Titles Act* (Ontario).

 A handwritten signature and initials, possibly 'M' and 'MS', are present in the bottom right corner of the page.



Amendment to Agreement of Purchase and Sale

Form 120
for use in the Province of Ontario

BETWEEN:

BUYER: Marc Wray & 6417604 Canada Inc. For a Corporation to be Formed

AND

SELLER: MNP LTD as Court-Appointed Receiver without Security of the Property of the Debtor

RE: Agreement of Purchase and Sale between the Seller and Buyer, dated the 11th day of September, 2020

concerning the property known as 3550 Second Concession Road, Wendover, Ontario.

as more particularly described in the aforementioned Agreement.

The Buyer and Seller herein agree to the following amendment(s) to the aforementioned Agreement:

Delete

DELETE

5. Purchaser's Conditions

Notwithstanding anything to the contrary herein contained, the Agreement is conditional to the Purchaser until 5:00 o'clock p.m. (Ottawa time) on December 11th, 2020 (the "Condition Date") and is subject to the Purchaser satisfying itself in its sole, absolute and unfettered discretion with all matters relating to the Property, including without limitation, zoning matters, the leases, if any, and the suitability and economic viability of the Property for the Purchaser's use, the physical condition of the Property, soil conditions, the environmental condition of the Property and the surrounding real property and the results of its other due diligence tests, inspections and investigations, and upon the receipt of Federal Government Contract Approval for the use of the Buyer's Training Facility (Intended Use of the Subject Property) (collectively, the Purchaser's Conditions")

AMEND

Purchase Price:

The Purchase Price shall be reduced \$35,000.00 to SEVEN HUNDRED AND FORTY THOUSAND DOLLARS (\$740,000.00).

The Date of Completion of this transaction shall be March 1st, 2021.

ADD

The Purchaser agrees to undertake the repair of the roof on the single family (Main) residence situated on the property immediately, or within a reasonable time period thereafter, upon the acceptance of this Amendment. Said repairs are to be completed at the sole expense of the Purchaser and shall be done in a professional, workman-like manner. Further, the Purchaser shall indemnify and save harmless the Seller from and against any and all liabilities, obligations, losses, abatements, damages, costs, expenses or disbursements of any kind or nature relating to the repair of the roof.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

IRREVOCABILITY: This Offer to Amend the Agreement shall be irrevocable by Buyer until 5:00 on the 2nd day of December, 2020, after which time, if not accepted, this Offer to Amend the Agreement shall be null and void.

For the purposes of this Amendment to Agreement, "Buyer" includes purchaser and "Seller" includes vendor. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective solicitors who are hereby expressly appointed in this regard.

All other Terms and Conditions in the aforementioned Agreement to remain the same.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

DocuSigned by: Marc Wray 11/30/2020
(Buyer/Seller) Marc Wray & 8417604 Canada Inc. (Seal) (Date)
79BE5443F9B1424...

(Witness)

(Buyer/Seller) for a Corporation to be Formed (Seal) (Date)

I, the Undersigned, agree to the above Offer to Amend the Agreement.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

MNP LTD. 11/30/2020
(Buyer/Seller) MNP LTD. as Court Appointed (Seal) (Date)

(Witness)

(Buyer/Seller) Receiver (Seal) (Date)

The undersigned spouse of the Seller hereby consents to the amendment(s) hereinbefore set out.

(Witness)

(Spouse)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at this day of November, 2020 (a.m./p.m.)

(Signature of Seller or Buyer) MNP LTD. as Court Appointed Receiver

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Seller) MNP LTD. as Court Appointed Receiver (Date)

DocuSigned by: Marc Wray 11/30/2020

(Seller) (Date)

(Buyer) Marc Wray & 8417604 Canada Inc. (Date)

Address for Service

(Buyer) (Date)

(Tel. No.) Robert De Toni

Address for Service

Address

(Tel. No.) Alain Bolduc

Email rob@nationalcapitallaw.com

Address

(Tel. No.) (Fax. No.)

Email

(Tel. No.) (Fax. No.)

R The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license. © 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.