

ONTARIO
SUPERIOR COURT OF JUSTICE
IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

and

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

SUPPLEMENT REPORT OF MNP LTD., IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF
STUART W. LACKEY AND CATHERINE A. LACKEY

MARCH 18, 2021

PURPOSE OF THIS REPORT

1. This report is supplemental to the Frist Report of the Receiver dated March 3, 2021. All defined terms herein not otherwise defined are as defined in the First Report.
2. The purpose of this Supplemental Report is to provide the Court with additional information regarding the opinion of value provided by Respondents' counsel to the Receiver's independent legal counsel by email communication at 3:24 p.m. on March 18, 2021. This opinion of value is dated March 17, 2021, and was prepared by Allan Earle, who is a sales representative with Culligan Real Estate Limited Brokerage.
3. Mr. Earle is the agent who had previously listed the Montague Properties on December 12, 2019, expiring on June 12, 2020. The listing was for \$1.1 million. The Receiver understands that no offers were received as a result of this listing.
4. Mr. Earle is not a certified appraiser. Further, his opinion contains the following material assumptions and limitations with respect to the Montague Properties:
 - a) Part of his value assumes \$400,000 with respect to 60 acres of the Montague Properties that would be severed with water frontage on the Rideau River for residential development. This is not the current use of these properties. They are currently vacant fields used for crops. Further, this value assumes the value after the severance process, but does not account for the costs to sever the lots and provide for water, road access and other utilities;
 - b) His value also assumes \$60,000 for renovating cropland, which renovations have not been completed;
 - c) Without the above assumptions, he values the Montague Properties at a significantly lower amount; and
 - d) Mr. Earle also writes: "This letter of opinion of value is for marketing purposes only and is not to be relied upon for any legal purpose."
5. Mr. Earle's opinion assumes the highest and best use of the Montague Properties and not their current use. As noted by Mr. Earle in his opinion:

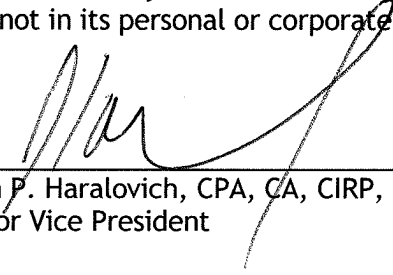
“Comments: With the severance option in this COVID market the highest value for both of these properties would be post severance and not as a bulk sale. The residential market that is coming to the country seldom put much value in land over 30 acres with the buildings.”

6. As noted in the First Report, the Receiver has amended the listing with respect to the Mississippi Mills Property to viewings only until the sale of the Montague Properties is completed. This will permit the Receiver to assess what amounts will then be owed to the Respondents’ creditors so that the Receiver can then decide how best to proceed. Thus, the Receiver is reserving comments with respect to Mr. Earle’s opinion of value with respect to the Mississippi Mills Property

This Supplemental Report to the First Report is respectfully submitted to the Honourable Court as of this 18th day of March 2021.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of
Stuart W. Lackey and Catherine A. Lackey
and not in its personal or corporate capacity
Per:



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