

Court File No. CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

**2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO LTD., 1496765 ONTARIO LTD. and
SUNSHINE PROPANE INC.**

Respondents

SECOND REPORT OF THE RECEIVER

March 29, 2019

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I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 29, 2018 (the “**Appointment Order**”), RSM Canada Limited was appointed receiver and manager (the “**Receiver**”), without security, of all of the assets, undertakings and properties of 1496765 Ontario Ltd. (“**1496765 (Etobicoke)**”), 1651033 Ontario Ltd. (“**1651033 (Burlington)**”), 1527020 Ontario Inc. (“**1527020 (Port Colborne)**”), 2495087 Ontario Inc. (“**2495087 (Port Elgin)**”), 2496800 Ontario Inc. (“**2496800 (Goderich)**”), and Sunshine Propane Inc. (“**Sunshine**”) (collectively the “**Debtors**” or the “**Companies**”) acquired for, or used in relation to the businesses carried on by the Debtors, including all proceeds thereof (the “**Property**”). A copy of the Appointment Order is attached to this report as Appendix “**A**”.
2. On February 13, 2019, the Receiver brought a motion, returnable on February 21, 2019, for the purpose of, *inter alia*:
 - (a) seeking approval of the sale of the Etobicoke Property (defined below), the Burlington Property (defined below) and the Port Colborne Property (defined below); and
 - (b) seeking the Court’s authorization of certain payments including an interim distribution.

A copy of the Receiver’s first report to the Court dated February 13, 2019 (the “**First Report**”) in support of the Receiver’s motion is attached hereto, without appendices, as Appendix “**B**”.

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3. On February 21, 2019, the Debtors attended at the motion hearing to oppose the Receiver's sale of the Etobicoke Property, the Burlington Property and the Port Colborne Property and to seek an adjournment of the motion in order to allow them to prepare a response. A copy of the Endorsement of Justice McEwen adjourning the motion to March 4, 2019 (the "**February 21 Endorsement**") is attached hereto as Appendix "**C**".
 4. On March 4, 2019, the Receiver's motion was heard and Justice Chiappetta:
 - (a) granted Approval and Vesting Orders in respect of each of the Etobicoke Property, the Burlington Property and the Port Colborne Property, copies of which are attached hereto as Appendices "**D**", "**E**" and "**F**", respectively; and
 - (b) granted a Distribution Order authorizing the Receiver to make certain payments as contemplated in the First Report, to make an interim distribution to Bank of Montreal on account of its outstanding indebtedness and authorizing various ancillary relief. A copy of the Distribution Order is attached hereto as Appendix "**G**".
 5. A copy of Justice Chiappetta's Endorsement made on March 4, 2019 (the "**March 4 Endorsement**") is attached to this report as Appendix "**H**".
 6. On March 21, 2019, Justice Hainey issued an order amending the Approval and Vesting Order of March 4, 2019 in respect of the Burlington Property (the "**March 21 Order**") to add Instrument No. HR1589610 to Schedule C listing the claims to be deleted and expunged from title to that property. A copy of the March 21 Order is attached hereto as Appendix "**I**".

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7. The Appointment Order, the First Report, the Approval and Vesting Orders and the Distribution Order referred to in this report, together with related Court documents, has been posted on the Receiver's website which can be found at rsmcanada.com/2495087-ontario-et-al.

Purpose of Second Report

8. The purpose of this second report of the Receiver (the "**Second Report**") is to:
- (i) report to the Court on the activities of the Receiver since the date of the First Report to March 28, 2019;
 - (ii) report to the Court on the closing of the sale of the Etobicoke Property;
 - (iii) report to the Court on the closing of the sale of the Burlington Property;
 - (iv) report to the Court on the status of the closing of the sale of the Port Colborne Property;
 - (v) report to the Court on the status of the marketing of the Goderich Property;
 - (vi) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period August 29, 2018 to March 25, 2019; and
 - (vii) seek Orders:
 - a. authorizing and directing the Receiver to enter into and carry out the terms of the Port Elgin APS (defined below) together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Port Elgin Property in the Port Elgin Purchaser (each as defined below), or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the

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- transaction under the Port Elgin APS and the delivery of a Receiver's certificate to the Port Elgin Purchaser;
- b. sealing Confidential Appendix "L" to the Second Report until the closing of the sale of the Port Colborne Property;
 - c. sealing Confidential Appendix "N" to the Second Report until the closing of the sale of the Port Elgin Property;
 - d. authorizing the Receiver to destroy the Non-debtor Documents and Personal Documents (each as defined below);
 - e. authorizing the Receiver to make the 2495087 Interim Distribution (defined below);
 - f. approving the Second Report and the Receiver's conduct and activities to March 28, 2019;
 - g. approving the fees and disbursements of the Receiver incurred to February 28, 2019; and
 - h. approving the fees and disbursements of Paliare Roland incurred to February 28, 2019.

Terms of Reference

9. In preparing the Second Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the **"Information"**). Certain of the information contained in the Second Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the 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 or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

10. Defined terms in the Second Report have, unless indicated otherwise herein, the same meanings as set out in the First Report.
11. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.
12. As set out below, the Receiver is not in possession of any recent financial information of the Debtors. Accordingly, the Receiver is administering the receiverships of the Debtors on the assumption that the only assets of the Debtors are the real properties (the “**Properties**”), cash on hand and miscellaneous chattels.

II. BACKGROUND

The Parties

Bank of Montreal

13. This section provides a condensed summary of the parties primarily involved in this proceeding. Additional information in respect of the parties, as well as to the background information relating to the Receiver’s appointment, can be found in Paragraphs 9 to 32 of the First Report.

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14. Bank of Montreal ("**BMO**") is the Applicant in these proceedings and is the primary secured creditor of each of the Companies. As of July 27, 2018, the Debtors were indebted to BMO in the aggregate amount of \$9,992,297.94.
15. The security held by BMO consists of mortgages over the Properties, as well as security agreements over the other assets of the Companies. Certain Debtors have guaranteed certain other Debtors' indebtedness to BMO.

1496765 (Etobicoke)

16. 1496765 (Etobicoke) is an Ontario Corporation that as of the date of the Receiver's appointment, held legal and beneficial title to a 0.4 acre real property municipally known as 5462 Dundas Street West, Etobicoke, Ontario (the "**Etobicoke Property**"). As at the date of the Appointment Order, 1496765 (Etobicoke) operated an automatic car wash and auto detailing business at the Etobicoke Property.
17. In addition to the car wash, located at the Etobicoke Property was a propane refill centre.

1651033 (Burlington)

18. 1651033 (Burlington) is an Ontario Corporation that as of the date of the Receiver's appointment, held legal and beneficial title to a 1.2 acre real property municipally known as 5223 Dundas Street, Burlington, Ontario (the "**Burlington Property**"), on which is located a car wash. As at the date of the Appointment Order, the renovations to the Burlington Property had not been completed and the car wash was not in operation.

1527020 (Port Colborne)

19. 1527020 (Port Colborne) is an Ontario Corporation that holds legal and beneficial title to a 1.9 acre real property municipally known as 633 Main Street West, Port Colborne, Ontario (the “**Port Colborne Property**”) from which, as at the date of the Appointment Order, 1527020 (Port Colborne) operated a self-service and automatic car wash.

2495087 (Port Elgin)

20. 2495087 (Port Elgin) is an Ontario Corporation that holds legal and beneficial title to the real property municipally known as 591 and 595 Goderich Street, Port Elgin, Ontario (the “**Port Elgin Property**”). The Port Elgin Property is situated on approximately 0.6 acres of land. As at the date of the Appointment Order, located on the Port Elgin Property were:

- (a) a self-serve gas bar operating under the Ultramar brand;
- (b) a two-storey commercial building (approximately 4,000 sq. ft.) consisting of
 - (i) an ExpressMart convenience store, (ii) a retail store on the ground floor and (iii) a residential apartment on the second floor; and
- (c) a separate one-storey building (approximately 3,000 sq. ft.) occupied by a Tim Horton’s restaurant.

21. 2495087 (Port Elgin) operated the gas station and convenience store and leased the other premises to tenants.

2496800 (Goderich)

22. 2496800 (Goderich) is an Ontario Corporation that holds legal and beneficial title to a 0.5 acre real property municipally known as 274 Bayfield Road, Goderich,

Ontario (the “**Goderich Property**”). As at the date of the Appointment Order, located on the Goderich Property were:

- (a) a self-serve gas bar operating under the Ultramar brand;
 - (b) a one-storey commercial building containing an ExpressMart convenience store (approximately 860 sq. ft.); and
 - (c) an automatic car wash (approximately 1,200 sq. ft.).
23. 2496800 (Goderich) operated the gas station, the convenience store and the car wash.

Sunshine

24. Sunshine is an Ontario Corporation incorporated on January 28, 2010.
25. The head office and mailing address for Sunshine is registered as 5462 Dundas St. West, which is the same address as that of 1496765 (Etobicoke), being the Etobicoke Property. Upon its appointment, the Receiver thought that Sunshine’s operations consisted of the propane refill business. However, based on the Receiver’s enquiry, the Ontario Fuels Safety License for the propane business is issued to Sam Propane Inc., and not to Sunshine.
26. The Respondents are independent from each other, but appear connected or otherwise related and/or owned by members of the same extended family.

III. COMPLETION OF THE SALE OF THE ETOBICOKE PROPERTY

27. In the First Report, the Receiver provided the Court with details of the proposed sale transaction with 2677323 Ontario Inc. for the Etobicoke Property. Following the issuance of the Approval and Vesting Order, the Receiver proceeded to close the sale transaction.

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28. A copy of the Receiver's Certificate filed with the Court on March 18, 2019 is attached to this report as Appendix "J".

IV. COMPLETION OF THE SALE OF THE BURLINGTON PROPERTY

29. In the First Report, the Receiver provided the Court with details of the proposed sale transaction with Harsha Nimrani in trust corporation to be incorporated and subsequently assigned to 2680944 Ontario Inc. for the Burlington Property. Following the issuance of the Approval and Vesting Order, the Receiver proceeded to close the sale transaction.
30. A copy of the Receiver's Certificate filed with the Court on March 22, 2019 is attached to this report as Appendix "K".

V. STATUS OF THE SALE OF THE PORT COLBORNE PROPERTY

31. In the First Report, the Receiver provided the Court with details of the proposed sale transaction with 2573702 Ontario Inc. (the "**Port Colborne Purchaser**") for the Port Colborne Property (the "**Port Colborne APS**"). Following the issuance of the Approval and Vesting Order, the closing date was scheduled for March 18, 2019.
32. On March 11, 2019, the Port Colborne Purchaser requested an extension until April 15, 2019. The Receiver advised that it would be agreeable to an extension of the closing date to April 15, 2019 on certain terms and conditions. In response, the Port Colborne Purchaser requested the closing date be extended to May 1, 2019. After negotiation between the parties, the closing date was extended to May 1, 2019 and the Port Colborne Purchaser paid a second deposit to the

Receiver. A copy of the Amendment of Agreement of Purchase and Sale dated March 19, 2019 amending the terms of the Port Colborne APS is attached to this report as Confidential Appendix "L".

VI. PORT COLBORNE SAFES

33. The Receiver arranged for a safecracker to attend at the Port Colborne Property to open the safes. The safes were found to contain keys and documents including corporate documents pertaining to the predecessor companies to 1527020 (Port Colborne), but no cash or other valuables. The Receiver will provide the keys from the safes to the purchaser of the Port Colborne Property upon the closing of the sale of that property.

VII. BOOKS AND RECORDS AND COMPUTERS

34. Paragraph 13 of the Distribution Order provides the Receiver with the authority to sell or otherwise dispose of any remaining items at any of the Properties, including personal property that may belong to individuals related to the Debtors, that are not removed from those Properties, under the Receiver's supervision, within three business days of the date of the Approval and Vesting Order issued in respect of that Property.
35. No parties contacted the Receiver to make arrangements to remove any remaining items or personal property at the Properties.
36. Prior to the sale of the Etobicoke Property, the Receiver attended at the Etobicoke Property and removed books and records found at the Etobicoke Property. The Receiver did not remove any other items from the Etobicoke

Property and the Burlington Property, other than computers, prior to the closing of the respective sale transactions.

37. The documents and books and records the Receiver removed from the Etobicoke Property include books and records pertaining to the Debtors, records pertaining to individuals (the “**Personal Documents**”) or books and records pertaining to other entities (the “**Non-debtor Documents**”). The books and records include cash register receipts and vendor invoices, bank statements, and other accounting and financial records of the Debtors. The Receiver did not find any accounting ledgers that would allow it to prepare the Debtors’ outstanding corporate tax, HST or payroll returns.
38. The Personal Documents include personal information relating to individuals including the principals of the Debtors.
39. The Non-debtor Documents include accounting and financial information pertaining to other entities who appear to share a mailing or business address with one of the Debtors. At this time, the Receiver does not have knowledge about whether or how these companies are related to one or more of the Debtors.
40. On January 30, 2019, Paliare Roland wrote to counsel for the Debtors to request that the Debtors identify for the Receiver, the relationship, if any, of thirteen specified entities. No response was received.
41. A summary of the documents is attached at Appendix “**M**”. The Receiver intends to provide a copy of this list to Canada Revenue Agency (“**CRA**”) and to inquire of CRA whether it wishes to review any of the records, as certain of the records may assist CRA to assess the liabilities, if any, that the individual Debtor

companies have to CRA. The Receiver will provide access to and copies of any of the records that may be requested by CRA that are in the Receiver's possession as at the date of the request.

42. As certain of the documentation in the possession of the Receiver are not records of the Debtor companies, the Receiver seeks an Order authorizing and directing the Receiver to destroy any Non-debtor Documents and Personal Documents as the Receiver may consider appropriate.
43. The Receiver removed from the Etobicoke Property and the Port Colborne Property any computers that did not appear to be integrated with the car wash operations. The Receiver is obtaining quotes for the cost to access any data saved on the hard drives of the computers and for destruction of the hard drives and disposal of the computers. If the data is not accessible, and as authorized in the Distribution Order, the Receiver will arrange for the hard drives to be destroyed.

VIII. MARKETING AND SALES ACTIVITIES

44. The Receiver and Avison Young have executed an amendment to the Listing Agreement which was due to expire on March 18, 2019. The Listing Agreement is extended to September 18, 2019 in respect of the Port Elgin and Goderich properties.
45. Avison Young is continuing its marketing of the Goderich Property.
46. Details of the Receiver's marketing process that resulted in the receipt of offers for the Properties, including the Port Elgin Property, are set out in Paragraphs

107 to 112 of the First Report. A summary of the offers received for the Port Elgin Property are set out in Tabs 1 and 2 of Confidential Appendix “N” of this report.

IX. SALE OF THE PORT ELGIN PROPERTY

47. On January 30, 2019, the Receiver entered into an agreement of purchase and sale with Amalethan Xavier, in trust for a company to be incorporated (the “**Port Elgin Purchaser**”) for the Port Elgin Property (the “**Port Elgin APS**”).
48. As reported in the First Report, the Port Elgin APS was subject to a 30-day conditional period, which was due to expire on March 2, 2019.
49. On February 26, 2019, the Port Elgin Purchaser requested a two week extension of the conditional period. The Receiver agreed to extend the conditional period to March 15, 2019. On March 15, 2019, the Port Elgin Purchaser waived its condition and provided the portion of the deposit due upon the waiver of the condition.
50. As noted in the First Report, TDL Group Ltd. (“**TDL**”) is the lessee for the Tim Horton’s restaurant located on the Port Elgin Property. The lease for the tenancy provides TDL with a right of first refusal (the “**Tim Horton’s ROFR**”) with respect to a bona fide offer to purchase all or part of the Port Elgin Property received by the landlord during the tenancy period. Before accepting any such offer, the landlord is required to give TDL the sole and exclusive right for a period of ten (10) banking days after the receipt of such notice, to elect to purchase the property upon the same terms and conditions as are contained in the offer.
51. On March 19, 2019, the Receiver gave notice to TDL of the Port Elgin offer. The deadline for TDL to exercise the Tim Horton’s ROFR was April 2, 2019.

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52. On March 25, 2019, TDL advised the Receiver that it would not be exercising the Tim Horton's ROFR.
53. As the Port Elgin Purchaser has advised the Receiver that it will not be operating a gas station under the Ultramar brand, if the Approval and Vesting Order is issued by the Court, the Receiver will contact Parkland to make arrangements for Parkland to remove its property from the Port Elgin Property.

X. THE PORT ELGIN APS

54. Salient terms of the Port Elgin APS and matters relating thereto include (all capitalized terms in this section not defined in the Port Elgin APS are as otherwise defined in the Second Report):
- i) the purchased assets include the Port Elgin Property;
 - ii) a deposit of 10% of the Purchase Price has been received from the purchaser;
 - iii) the offer is firm as the Purchaser waived conditions;
 - iv) the Port Elgin APS is conditional on court approval and the issuance of an order vesting title to the purchased assets in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the Agreement;
 - v) the Purchaser is buying the Port Elgin Property on an "as is, where is" basis; and
 - vi) closing of the sale provided for in the Port Elgin APS is scheduled to occur on the tenth Business Day following the date on which the Approval and

Vesting Order is granted, or such other date as agreed between the Purchaser and the Receiver.

55. A copy of the Port Elgin APS is attached to this report at Tab 3 to Confidential Appendix "N".

XI. APPROVAL OF SALE

56. The Receiver believes that the marketing process undertaken by the Receiver was appropriate for the type of property in question, and provided sufficient market exposure to the Port Elgin Property for the following reasons:

- (i) notice of the sale of the Port Elgin Property was sent to more than 1,200 parties;
- (ii) the Port Elgin Property was listed for sale on MLS;
- (iii) the Port Elgin Property was listed on Avison Young's website and Loopnet; and
- (iv) the Port Elgin Property was exposed to the market for a period of approximately six weeks.

57. The Receiver therefore recommends the approval of the Port Elgin APS by this Honourable Court.

58. The Receiver believes that details of the offers submitted for the Port Elgin Property including matters relating thereto should be kept confidential until the closing of the transaction. The Receiver is of the view that public disclosure thereof would have a negative impact on the future marketing of the Port Elgin Property should the transaction with the purchaser not be approved or completed.

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59. The Receiver therefore respectfully requests that Confidential Appendix “N” be sealed until after the closing of the sale of the Port Elgin Property.

XII. POSSIBLE LEASE RE PORT ELGIN PROPERTY

60. Included in the documents the Receiver came upon at the Etobicoke Property was a premises lease dated July 27, 2018 between 2495087 (Port Elgin) and Naveed Amin, operating as “Shawarma King” (the “**Amin Lease**”). A copy of the Amin Lease is attached to this report as Appendix “O”.
61. According to the Amin Lease, the term of the lease is for five years commencing on August 1, 2018, with a five year renewal option.
62. At the time the Receiver took possession of the Port Elgin Property, the Receiver did not see any evidence of operations being conducted that would be consistent with the Amin Lease and, until the Receiver located the lease when it removed documents from the Etobicoke Property, the Receiver had no knowledge that the Amin Lease existed.
63. The Receiver has not received any of the rent payments due to be paid pursuant to paragraph 3 of the Amin Lease nor has it had any communications from Naveed Amin. It is the Receiver’s position that since no rent has been paid to the Receiver, the Amin Lease is in default.
64. While the Amin Lease does not appear to contain a termination or default provision, the Receiver is not able to serve any default notice, or notice of termination, upon Naveed Amin since the only address for Naveed Amin contained in the Amin Lease is the address of the Port Elgin Property.

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65. Paliare Roland has advised the Receiver that the Amin Lease is not registered on title to the Port Elgin Property.

XIII. SECURED OR PRIORITY CLAIMS

66. The First Report included:
- i) a copy of the search of the Parcel Register for Property Identifier reports from the Ontario Land Registry Office dated June 20, 2018 for the Port Elgin Property; and
 - ii) a copy of the search conducted under the Personal Property Security Registration System dated September 6, 2018 for 2495087 (Port Elgin).
67. Based on the above searches, and as set out in the First Report, the only claim registered against 2495087 (Port Elgin) is a registration in the amount of \$2,360,000 in favour of BMO, which claim has not been audited or verified by the Receiver.
68. The Receiver has received a legal opinion from Paliare Roland that, subject to the assumptions and qualifications contained in Paliare Roland's opinion letter, the mortgage granted in favour of BMO on the Port Elgin Property is a valid first charge on the Port Elgin Property (the **"Port Elgin Security Opinion"**). A copy of the Port Elgin Security Opinion is attached to this report at Appendix **"P"**.
69. As set out on a statement provided by BMO to the Receiver (the **"2495087 BMO Statement"**), as of March 28, 2019, the amount owed by 2495087 (Port Elgin) to BMO is \$2,385,866, before consideration of the advances made by BMO for which Receiver Certificates were issued. A copy of the 2495087 BMO Statement is attached to this report at Appendix **"Q"**.

XIV. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

70. Attached to this report as Appendix "R" is the Receiver's Interim Statement of Receipts and Disbursements for the period August 29, 2018 to March 25, 2019 (the "R&D"). The R&D sets out the Receiver's receipts and disbursements for each of the Debtors, as well as on a combined basis.
71. On a summary combined basis, total receipts were \$7,268,435 and total disbursements were \$1,476,719, resulting in a net cash balance of \$5,791,716, as follows:

Company Name	Cash Receipts	Cash Disbursements	Excess of Receipts over Disbursements
1496765 (Etobicoke)	\$ 3,801,596	\$ 797,784	\$ 3,003,812
1651033 (Burlington)	\$ 2,587,000	\$ 280,279	\$ 2,306,722
1527020 (Port Colborne)	\$ 263,714	\$ 124,469	\$ 139,244
2495087 (Port Elgin)	\$ 311,905	\$ 140,662	\$ 171,243
2496800 (Goderich)	\$ 297,928	\$ 130,752	\$ 167,176
Sunshine	\$ 6,293	\$ 2,773	\$ 3,520
Total	\$ 7,268,435	\$ 1,476,719	\$ 5,791,716

XV. INTERIM DISTRIBUTIONS

72. In accordance with the Distribution Order, the Receiver has made the following payments as of the date of the Second Report:
- (a) to the Receiver, an amount equal to the unpaid accounts of the Receiver on account of operating expenses and the Receiver's professional fees and disbursements;

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- (b) to Paliare Roland, an amount equal to the unpaid accounts of Paliare Roland;
- (c) to BMO, following the sale of the Etobicoke Property, the advances totaling \$99,000 under Receiver Certificates # 2, 6 and 9 plus accrued interest; and
- (d) to BMO, following the sale of the Burlington Property, the advances totaling \$87,000 under Receiver Certificates # 1, 8 and 11 plus accrued interest.
73. The Receiver is in the process of finalizing certain matters with BMO prior to making any distributions to BMO in respect of BMO's loans to 1496765 (Etobicoke) and 1651033 (Burlington).
74. The Receiver has requested from CRA a formal request for payment of its deemed trust claims prior to making any payments to CRA.
75. Upon the closing of the sale of the Port Elgin Property, and receipt by the Receiver of the net sales proceeds therefrom, funds will be available for the Receiver to make an interim distribution in respect of BMO's loans to 2495087 (Port Elgin).
76. As set out above, the Receiver has received the Port Elgin Security Opinion indicating that the mortgage granted by 2495087 (Port Elgin) to BMO in respect of the Port Elgin Property is a valid first charge on the Port Elgin Property.
77. On the closing of the sale of the Port Elgin Property, the Receiver proposes to make the following payments from the net proceeds of sale, after payments of the property taxes and commissions payable to Avison Young in respect of the Port Elgin Property (the “ **2495087 Interim Distribution**”):

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- (a) to BMO, the advances totaling \$99,000 under Receiver Certificates # 4 and 12 plus accrued interest; and
- (b) to BMO, an amount not exceeding the outstanding indebtedness of 2495087 (Port Elgin) to BMO secured by BMO's first mortgage over the Port Elgin Property.

XVI. PROFESSIONAL FEES

78. The Receiver's accounts total \$49,051.50 in fees plus HST of \$6,376.72 for a total amount of \$55,428.22 for the period February 1, 2019 to February 28, 2019 (the "**Receiver's Account**"). A copy of the Receiver's Account, together with a summary of the account, the total billable hours charged per the account, and the average hourly rate charged per the account, is set out in the Affidavit of Daniel Weisz sworn March 29, 2019 attached to this report as Appendix "**S**".
79. The account of the Receiver's counsel, Paliare Roland totals \$35,885.15 in fees and disbursements and \$4,641.80 in HST for a total of \$40,526.95 (the "**Paliare Roland Account**") for the period February 1, 2019 to February 28, 2019. A copy of the Paliare Roland Account, together with a summary of the personnel, hours and hourly rates described in the Paliare Roland Account, is set out in the Affidavit of Michelle Jackson sworn March 29, 2019 attached to this report as Appendix "**T**".
80. The Receiver is seeking approval of the Receiver's Account and the Paliare Roland Account.

XVII. CONCLUSION AND REQUEST OF THE COURT

81. The Receiver respectfully requests that the Court grant Orders which provide for the following:

- (a) authorizing and directing the Receiver to enter into and carry out the terms of the Port Elgin APS together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Port Elgin Property in the Port Elgin Purchaser, or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the Port Elgin APS and the delivery of a Receiver's certificate to the Port Elgin Purchaser;
- (b) sealing Confidential Appendix "L" to the Second Report until the closing of the sale of the Port Colborne Property;
- (c) sealing Confidential Appendix "N" to the Second Report until the closing of the sale of the Port Elgin Property;
- (d) authorizing the Receiver to destroy the Non-debtor Documents and the Personal Documents;
- (e) authorizing the Receiver to make the 2495087 Interim Distribution;
- (f) approving the Second Report and the Receiver's conduct and activities to March 28, 2019;
- (g) approving the R&D;
- (h) approving the fees and disbursements of the Receiver incurred to February 28, 2019; and

(i) approving the fees and disbursements of Paliare Roland incurred to
February 28, 2019.

All of which is respectfully submitted to this Court as of this 29th day of March, 2019.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver and Manager of
1496765 Ontario Ltd., 1651033 Ontario Ltd., 1527020 Ontario Inc.,
2495087 Ontario Inc., 2496800 Ontario Inc., and Sunshine Propane Inc.
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice President

APPENDIX A

Court File No. CV-18-00602537-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

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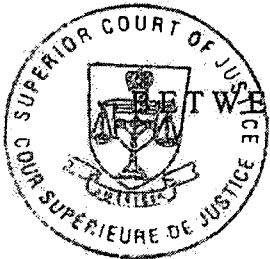
WEDNESDAY, THE 29TH

JUSTICE HAINEY

)

DAY OF AUGUST, 2018

)



BETWEEN:

BANK OF MONTREAL

Applicant

-and-

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3,
s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

**ORDER
(appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing RSM Canada Limited as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc., 1651033 Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc. (collectively, the "Debtors") acquired for, or used in relation to businesses carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jason Locke sworn July 30, 2018 and the Exhibits thereto, on reading the consent of RSM Canada Limited to act as the Receiver and on hearing the submissions of counsel for the Applicant *and counsel for the Respondents,*

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion 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, RSM Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to the businesses carried on by the Debtors, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

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- (c) to manage, operate, and carry on the business of any or all 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;

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- (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 \$300,000; 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

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on behalf of and, if thought desirable by the Receiver, in the name of any or all of the Debtors;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of any or all of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the 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 DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including

without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Protocol with the following URL 'rsmcanada.com/2495087-ontario-et-al'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

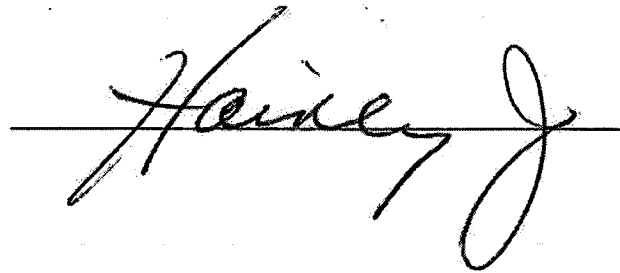
30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized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

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proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

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

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

AUG 29 2018

PER / PAR:

A handwritten signature in cursive script, appearing to be a set of initials or a stylized name, is written below the "PER / PAR:" label.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited the receiver and manager (the "Receiver") of the assets, undertakings and properties 2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc., 1651033 Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc. (collectively, the "Debtors") 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 29th day of August, 2018 (the "Order") made in an action having Court file number Court File No. CV-18-00602537-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

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

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

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

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

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

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

DATED the _____ day of _____, 20__.

RSM CANADA LIMITED, solely in its capacity
as Receiver of the Debtors, and not in its
personal or corporate capacity

Per: _____

Name:

Title:

00802.0279/11607923_1

BANK OF MONTREAL
Applicant

-and- 2495087 ONTARIO INC. et al.
Respondents

Court File No. CV-18-00602537-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

ORDER

TORKIN MANES LLP
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Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Applicant, Bank of Montreal

RCP-E 4C (May 1, 2016)

APPENDIX B

Court File No. CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

**2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO LTD., 1496765 ONTARIO LTD. and
SUNSHINE PROPANE INC.**

Respondents

FIRST REPORT OF THE RECEIVER

February 13, 2019

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Confidential Appendix – Port Colborne Property	JJ

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 29, 2018 (the "**Appointment Order**"), RSM Canada Limited was appointed receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of 1496765 Ontario Ltd. ("**1496765 (Etobicoke)**"), 1651033 Ontario Ltd. ("**1651033 (Burlington)**"), 1527020 Ontario Inc. ("**1527020 (Port Colborne)**"), 2495087 Ontario Inc. ("**2495087 (Port Elgin)**"), 2496800 Ontario Inc. ("**2496800 (Goderich)**"), and Sunshine Propane Inc. ("**Sunshine**") (collectively the "**Debtors**" or the "**Companies**") acquired for, or used in relation to the businesses carried on by the Debtors, including all proceeds thereof (the "**Property**"). A copy of the Appointment Order is attached to this report as Appendix "**A**".
2. The Appointment Order authorizes the Receiver to, among other things:
 - (a) 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) manage, operate, and carry on the business of any or all 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;
 - (c) 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; and

(d) sell, convey, lease or assign the Property or any part or parts thereof out of the ordinary course of business;

a) without the approval of the Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000; and

b) with the approval of the 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.

3. Paragraph 21 of the Appointment Order authorizes the Receiver to borrow monies to fund the exercise of the powers and duties conferred upon the Receiver by the Appointment Order from time to time, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as the Court may by further order authorize). The Receiver's borrowings are secured by way of a fixed and specific charge over the Property 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 (as defined therein) and the charges as set out in sections 14.06(7), 81.4(4) and 81.6(2) of the *Bankruptcy and Insolvency Act*.
4. The Appointment Order referred to in this report, together with related Court documents, has been posted on the Receiver's website which can be found at rsmcanada.com/2495087-ontario-et-al.

Purpose of First Report

5. The purpose of this first report of the Receiver (the "**First Report**") is to:
- (i) report to the Court on the activities of the Receiver since the date of the Appointment Order to February 11, 2019;
 - (ii) report to the Court on the condition of, and status of the Receiver's activities in connection with, the real property owned by the Debtors;
 - (iii) report to the Court on the results of the sales process and activities leading to receipt of offers for properties owned by the Debtors;
 - (iv) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period August 29, 2018 to January 31, 2019;
 - (v) provide the Court with information on the fees incurred to January 31, 2019 by the Receiver and the Receiver's independent legal counsel, Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**"); and
 - (vi) seek Orders:
 - a. authorizing and directing the Receiver to enter into and carry out the terms of the Etobicoke APS (as defined below), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Etobicoke Property in the Etobicoke Purchaser (each as defined below), or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the Etobicoke APS and the delivery of a Receiver's certificate to the Etobicoke Purchaser;

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- b. authorizing and directing the Receiver to enter into and carry out the terms of the Burlington APS (defined below), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Burlington Property in the Burlington Purchaser (each as defined below), or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the Burlington APS and the delivery of a Receiver's certificate to the Burlington Purchaser;
 - c. authorizing and directing the Receiver to enter into and carry out the terms of the Port Colborne APS (defined below), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Port Colborne Property in the Port Colborne Purchaser (each as defined below), or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the Port Colborne APS and the delivery of a Receiver's certificate to the Port Colborne Purchaser;
 - d. sealing the following Confidential Appendices:
 - i) Confidential Appendix "HH" to the First Report until the closing of the sale of the Etobicoke Property;
 - ii) Confidential Appendix "II" to the First Report until the closing of the sale of the Burlington Property; and
 - iii) Confidential Appendix "JJ" to the First Report until the closing of the sale of the Port Colborne Property;

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- e. authorizing and directing the Receiver to deposit the Cash (defined below) into the receivership trust account for the benefit of 1496765 (Etobicoke)'s creditors;
 - f. authorizing and directing the Receiver to attempt to access any data saved on the hard drives of the computers found at the Etobicoke Property, the Port Colborne Property and the Goderich Property or if that cannot be done, to destroy the hard drives;
 - g. authorizing the Receiver to sell or otherwise dispose of any remaining items at the Properties, including personal property that may belong to individuals related to the Debtors, that are not removed from those Properties, under the Receiver's supervision, within three business days of the date of the Approval and Vesting Order issued in respect of that Property;
 - h. authorizing the Receiver to make the Interim Distribution (defined below);
 - i. approving the First Report and the Receiver's conduct and activities to February 11, 2019;
 - j. approving the fees and disbursements of the Receiver incurred to January 31, 2019; and
 - k. approving the fees and disbursements of Paliare Roland incurred to January 31, 2019.

Terms of Reference

6. In preparing the First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the “**Information**”). Certain of the information contained in the First Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the 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 or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.
8. As set out below, the Receiver is not in possession of any recent financial information of the Debtors. Accordingly, the Receiver is administering the receiverships of the Debtors on the assumption that the only assets of the Debtors are the Properties, cash on hand and miscellaneous chattels.

II. BACKGROUND

The Parties

Bank of Montreal

9. Bank of Montreal ("**BMO**") is the Applicant in these proceedings and is the primary secured creditor of each of the Companies. As of July 27, 2018, the Debtors were indebted to BMO in the aggregate amount of \$9,992,297.94, as set out below:

Company	Indebtedness at July 27 , 2018
1496765 (Etobicoke)	\$2,083,285.97
1651033 (Burlington)	\$2,531,062.35
1527020 (Port Colborne)	\$1,411,643.42
2495087 (Port Elgin)	\$2,291,385.27
2496800 (Goderich)	\$1,674,920.93
Total	\$9,992,297.94

10. Sunshine has guaranteed the obligations of 1496765 (Etobicoke) and 1651033 (Burlington).
11. 1496765 (Etobicoke) and 1651033 (Burlington) have guaranteed the indebtedness of the other Debtors (excluding Sunshine).
12. 1527020 (Port Colborne) has guaranteed the indebtedness of 2495087 (Port Elgin).
13. As described later herein, the security held by BMO consists of mortgages over the Properties, as well as security agreements over the other assets of the Companies.

1496765 (Etobicoke)

14. 1496765 (Etobicoke) is an Ontario Corporation incorporated on October 16, 2001. According to a corporate search dated July 25, 2018, Aisha Ashad is 1496765 (Etobicoke)'s President, Secretary, Treasurer and sole Director. A copy of the Corporation Profile report for 1496765 (Etobicoke) is attached to this report as Appendix "B".
15. 1496765 (Etobicoke) holds legal and beneficial title to a 0.4 acre real property municipally known as 5462 Dundas Street West, Etobicoke, Ontario (the "**Etobicoke Property**"). As at the date of the Appointment Order, 1496765 (Etobicoke) operated an automatic car wash and auto detailing business at the Etobicoke Property.
16. In addition to the car wash, located at the Etobicoke Property is a propane refill centre.

1651033 (Burlington)

17. 1651033 (Burlington) is an Ontario Corporation incorporated on February 23, 2005. According to a corporate search dated July 25, 2018, Aisha Ashad is 1651033 (Burlington)'s President and sole Director. A copy of the Corporation Profile report for 1651033 (Burlington) is attached to this report as Appendix "C".
18. 1651033 (Burlington) holds legal and beneficial title to a 1.2 acre real property municipally known as 5223 Dundas Street, Burlington, Ontario (the "**Burlington Property**"), on which is located a car wash. The car wash had operated as a nine bay self-serve coin wash, plus one automatic wash, until 2017 when renovations began on the car wash. As at the date of the Appointment Order, the renovations had not been completed and the car wash was not in operation.

1527020 (Port Colborne)

19. 1527020 (Port Colborne) is an Ontario Corporation incorporated on August 1, 2002 as Young Bros. Garage Limited (from the amalgamation of Young Bros. Garage Limited and 1515477 Ontario Inc.) that subsequently changed its name to 1527020 Ontario Inc. on May 8, 2008. According to a corporate search dated July 25, 2018, Rauf Khan is 1527020 (Port Colborne)'s President and sole Director, while Aisha Ashad is Secretary. A copy of the Corporation Profile report for 1527020 (Port Colborne) is attached to this report as Appendix "D".
20. 1527020 (Port Colborne) holds legal and beneficial title to a 1.9 acre real property municipally known as 633 Main Street West, Port Colborne, Ontario (the "**Port Colborne Property**") from which, as at the date of the Appointment Order, 1527020 (Port Colborne) operated a self-service and automatic car wash.

2495087 (Port Elgin)

21. 2495087 (Port Elgin) is an Ontario Corporation incorporated on December 8, 2015. According to a corporate search dated July 25, 2018, the corporation had, as of the date of the commencement of this proceeding, four directors, but no officers. An updated corporate profile search for 2495087 (Port Elgin) dated February 11, 2019 indicates that Rauf Khan is now the sole Director of 2495087 (Port Elgin), and that the address of the Port Colborne Property is recorded as the mailing address of 2495087 (Port Elgin) and Mr. Khan. A copy of the February 11, 2019 Corporation Profile report for 2495087 (Port Elgin) is attached to this report as Appendix "E".
22. 2495087 (Port Elgin) holds legal and beneficial title to the real property municipally known as 591 and 595 Goderich Street, Port Elgin, Ontario (the "**Port**

Elgin Property”). The Port Elgin Property is situated on approximately 0.6 acres of land. As at the date of the Appointment Order, located on the Port Elgin Property were:

- (a) a self-serve gas bar operating under the Ultramar brand;
- (b) a two-storey commercial building (approximately 4,000 sq. ft.) consisting of
 - (i) an ExpressMart convenience store, (ii) a retail store on the ground floor and (iii) a residential apartment on the second floor; and
- (c) a separate one-storey building (approximately 3,000 sq. ft.) occupied by a Tim Horton’s restaurant.

23. 2495087 (Port Elgin) operated the gas station and convenience store and leased the other premises to tenants.

2496800 (Goderich)

24. 2496800 (Goderich) is an Ontario Corporation incorporated on December 17, 2015. According to a corporate search dated July 25, 2018, Mian Abdul Wadood is the corporation’s President, Secretary and Treasurer. Mr. Wadood and Aisha Ashhad are listed as the two Directors. A copy of the Corporation Profile report for 2496800 (Goderich) is attached to this report as Appendix “F”.

25. 2496800 (Goderich) holds legal and beneficial title to a 0.5 acre real property municipally known as 274 Bayfield Road, Goderich, Ontario (the “**Goderich Property**”). As at the date of the Appointment Order, located on the Goderich Property were:

- (a) a self-serve gas bar operating under the Ultramar brand;
- (b) a one-storey commercial building containing an ExpressMart convenience store (approximately 860 sq. ft.); and

(c) an automatic car wash (approximately 1,200 sq. ft.).

26. 2496800 (Goderich) operated the gas station, the convenience store and the car wash.

Sunshine

27. Sunshine is an Ontario Corporation incorporated on January 28, 2010. According to a corporate search dated July 25, 2018, Hashmi Begum is the corporation's President, Secretary and sole Director. A copy of the Corporation Profile report for Sunshine is attached to this report as Appendix "G".
28. The head office and mailing address for Sunshine is registered as 5462 Dundas St. West, which is the same address as that of 1496765 (Etobicoke), being the Etobicoke Property. As noted above, there is located on the Etobicoke Property a propane refill centre for cylinders and vehicles. Upon its appointment, the Receiver thought that Sunshine's operations consisted of the propane refill business. However, based on the Receiver's enquiry, the Ontario Fuels Safety License for the propane business is issued to Sam Propane Inc. ("**Sam Propane**"), and not to Sunshine.
29. The Etobicoke Property, the Burlington Property, the Port Colborne Property, the Port Elgin Property and the Goderich Property are collectively referred to in the First Report as the "**Properties**".
30. The Respondents are independent from each other, but appear connected or otherwise related and/or owned by members of the same extended family.

Appointment of the Receiver

31. For the reasons set out in the Applicant's Notice of Application dated July 31, 2018, the Applicant sought the appointment of the Receiver. The Application was

initially returnable on August 24, 2018 before Justice Hailey but was adjourned until August 29, 2018. A copy of Justice Hailey's Endorsement made on August 24, 2018 is attached to this report as Appendix "H".

32. On August 29, 2018, at the reconvened Application, Justice Hailey issued the Appointment Order appointing the Receiver. A copy of Justice Hailey's Endorsement made on August 29, 2018 is attached to this report as Appendix "I".

III. RECEIVER'S ACTIVITIES TO DATE

Possession and Control

33. Following the issuance of the Appointment Order, the Receiver attended on August 29, 2018 at each of the Properties. The locks and padlocks at the buildings at each of the Properties were changed and additional locks and padlocks were installed as required.
34. The Receiver met at the Etobicoke Property with Azeem (Sam) Mohammed and Aisha Ashad who the Receiver understands are the primary principals of the Debtors, and discussed with them the Receiver's appointment and the Receiver's duties and responsibilities. The Receiver has not met with nor corresponded with any other parties identifying themselves as principals of the Debtors.
35. Pending its determination as to whether the Receiver would operate the gas stations in Port Elgin and Goderich, the Receiver arranged for a representative of Parkland Corporation/Ultramar ("**Parkland**") to accompany the Receiver to the gas stations in Port Elgin and Goderich in order to turn off the gas pumps at those

locations. The Point of Sale systems at those locations, which were controlled by Parkland from its offices in Montreal, were turned off remotely.

36. During the Receiver's attendance at the Port Colborne Property, an individual informed the Receiver that he lived at the Port Colborne Property. The individual did not produce a lease supporting his tenancy claim when requested to do so by the Receiver. After negotiations, the Receiver made a small monetary payment to the individual and he agreed to leave the premises and the Receiver arranged for a security guard to supervise his removal/retrieval of his property by September 1, 2018.
37. The Receiver requested keys for the coin machines and the combinations for the safes at the Port Colborne Property. The Debtors advised they did not have combinations for the safes as they had never used them and numerous keys for the Port Colborne Property were provided, but only one of the keys unlocked a coin box.
38. When the Receiver attended at the Port Elgin Property, it determined that three tenants occupied the upstairs apartment. As of one month following the Receiver's appointment, the three tenants had vacated the premises, as they claimed the apartment was not being properly maintained including that there was no hot water in the premises. The tenants informed the Receiver that they had not been paying rent since they moved in other than first and last months' rent. The Receiver has not pursued the three tenants for any rent that may be owing.

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39. In order to meet the Receiver's insurance requirements, mobile security patrols were set up at each of the Properties commencing the evening of August 29 to check on the respective properties. The mobile patrols will remain in place until the Properties are sold.

Cash on Hand

40. The Receiver took possession of all cash that it was able to access at the individual Properties. Small amounts of cash were found at the gas stations while only coins were found in the till at the Etobicoke Property car wash.
41. The Receiver was unable to open the car wash coin machines at the Port Colborne Property without a key. When the Debtors subsequently provided the Receiver with keys for the Port Colborne Property on or around October 9, 2018, the Receiver was able to unlock the main coin box, which contained less than \$6. The other coin boxes could not be opened with the keys provided but appeared to be substantially empty. Given that the main coin box contained less than \$6 and that Mr. Mohammed advised the Receiver on September 3, 2018 that the principals had recently emptied the coin boxes, it is unlikely that the other coin boxes contain significant sums of cash. The locksmith who attended to change the locks was unable to open the coin boxes. As of the date of the First Report, no further attempts to open the coin boxes have been made by the Receiver.

Banking

42. The Receiver opened trust accounts for each of the Companies at Bank of Montreal and deposited to those accounts the cash it retrieved from each of the Companies' premises.
43. The Debtors' accounts at Bank of Montreal were frozen.
44. Based on documents found at the Etobicoke Property, it appeared that the Debtors may have had bank accounts at financial institutions other than BMO. Accordingly, on or around August 29, 2018, the Receiver sent letters to TD Canada Trust ("TD"), Royal Bank of Canada ("RBC") and CIBC, requesting that those banks freeze any accounts of the Debtors that may be at their banks. The Receiver was advised by TD and RBC that there were no active accounts in the names of the Debtors at those banks.
45. CIBC advised of the existence of two accounts in the names of 1496765 (Etobicoke) and Sunshine that Ms. Ashad and Mr. Mohammed did not disclose to the Receiver. The initial information provided by CIBC was that:
 - (a) an account for 1496765 (Etobicoke) was opened on June 14, 2018. As of August 29, 2018 (the date of the Receiver's appointment), the balance in the account was \$2,061.24. As of November 30, 2018, the account balance was \$310.67; and
 - (b) an account for 2496800 (Goderich) was opened on March 6, 2018. As of August 29, 2018, the balance in the account was \$2,796.65. As of November 30, 2018, the account balance was overdrawn.

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46. The Receiver has, to date, not pursued CIBC for payment of the funds that were in the 1496765 (Etobicoke) and 2496800 (Goderich) accounts as of the date of the letters sent to CIBC.
47. Further information with respect to the accounts at CIBC is set out later in this report.

IV. LEASE – BURLINGTON

48. On September 13, 2018, the Receiver was contacted by Pro Oil Tanks on behalf of its franchisee, 2614898 Ontario Inc. / Steven Aiken (the “**Franchisee**”). The Franchisee had signed a lease with 1651033 (Burlington) for the operation of an oil change facility to be constructed at the Burlington Property. A copy of the lease dated January 22, 2018 was provided to the Receiver by Pro Oil Tanks.
49. After a review of the lease, the Receiver determined that the lease was not enforceable as the work on the Burlington Property had not reached substantial completion and the lease had not commenced as of the date of receivership. The Receiver set out its position in a letter to the Franchisee dated November 21, 2018. The Receiver also advised the Franchisee that the Receiver would shortly be listing the Burlington Property for sale and that if the Franchisee wished the Receiver to notify prospective purchasers of its interest in leasing the Burlington Property, it should advise the Receiver in writing. However, the Receiver made no representation as to whether a purchaser of the Burlington Property would want to enter into a lease with the Franchisee.

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50. On November 21, 2018, the Franchisee responded in writing that it was interested in becoming a tenant to the prospective new owner of the Burlington Property.
51. On November 21, 2018, counsel for Pro Oil Tanks advised the Receiver that it was taking the position that the lease is a binding obligation, irrespective of whether the term has commenced. Paliare Roland spoke with counsel for Pro Oil Tanks on December 5, 2018 at which time Pro Oil Tanks acknowledged that it did not have any direct interest in the lease and it was aware that the Franchisee's claim in the receivership may be simply an unsecured claim.

V. INSURANCE

52. The Receiver contacted McDougall Insurance Brokers Ltd. ("**McDougall**"), the insurance broker for 1496765 (Etobicoke), 1651033 (Burlington), 1527020 (Port Colborne) and 2496800 (Goderich) to notify it of the receivership. McDougall confirmed that the insurance policies were in effect and advised the Receiver that the insurer's coverage did not include pollution coverage.
53. The Receiver contacted Federated Insurance ("**Federated**"), the broker for 2495087 (Port Elgin) to notify it of the receivership. The broker confirmed that the policy was in effect until March 17, 2019. Insurance documents provided to the Receiver indicate that 2495087 (Port Elgin) does not have pollution insurance. As the Port Elgin Property was partially vacant, Federated advised that the policy would be adjusted to only cover the building and that coverage for business operations and in respect of any contents or stock would be deleted from the policy.

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54. The Receiver arranged for its own liability insurance through HUB International Insurance Brokers ("HUB"). The Receiver also arranged for property insurance coverage through HUB as it considered necessary.
 55. On October 16, 2018, McDougall notified the Receiver that the insurer requested that the policies be re-marketed as soon as possible and that the insurer would provide only limited coverage with vacancy permission for up to 60 days. After reviewing its options, the Receiver renewed its liability and property insurance with HUB and cancelled coverage provided through McDougall.
 56. Based on the Port Colborne Property's condition including a leaking roof and the presence of mould in the building, HUB has reduced the amount of its property insurance coverage for that property.

VI. BOOKS AND RECORDS AND FINANCIAL STATEMENTS

57. Upon taking possession of the Properties on August 29, 2018, the Receiver located books and records only at the Etobicoke Property and those records were limited in scope. The Receiver did not find financial records relating to the Companies' sales, payroll records, statutory filings, nor any recent financial statements, accounting ledgers, income tax returns, or tenant leases.
58. On September 4, 5, 6, and 13 and November 13, 2018, and again on January 30, 2019, the Receiver requested of the Debtors, or their counsel, that the Debtors provide to the Receiver financial records of the Debtors. To date, the Debtors have not provided any records to the Receiver.
59. As a result, the Receiver does not have the records it requires to: (i) assess whether the Company's filings are current and the quantum of any liabilities,

including to Canada Revenue Agency (“CRA”), or (ii) enable CRA to conduct an audit of each of the Companies’ source deductions or HST.

60. The Receiver obtained from BMO copies of 2016 or 2017 unaudited financial statements for 1496765 (Etobicoke), 1651033 (Burlington) and 1527020 (Port Colborne) to which Review Engagement reports from Hotay Professional Corporation (“Hotay”) were appended.
61. On September 25, 2018, the Receiver contacted Hotay to request copies of accounting/financial records for the Debtors in Hotay’s possession.
62. On November 12, 2018, Hotay forwarded to the Receiver copies of 2012 or 2013 financial statements for 1496765 (Etobicoke), 1651033 (Burlington), 1527020 (Port Colborne) and Sunshine. As the statements received from Hotay were older than the 2016 or 2017 statements that BMO had provided to the Receiver, on November 12, 2018, the Receiver inquired of Hotay whether Hotay had prepared the 2016 and 2017 statements. Hotay advised that it did not prepare any statements for the Debtors for the years 2014 to 2017. In addition, Hotay stated that it did not prepare any statements for 2495087 (Port Elgin) and 2496800 (Goderich), perform any bookkeeping for any of the Debtors or have any other financial information for the Debtors in its possession.

VII. RECEIVER’S DECISION TO NOT RE-COMMENCE OPERATIONS

63. Upon the Receiver taking possession of the Properties, the Receiver discontinued the operations at the car washes and gas stations pending the Receiver’s assessment of the potential costs/risks/benefits of resuming operations during the receivership.

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64. The Receiver was of the view that the operations should be continued only if the operations would be profitable taking into account (i) the additional supervisory costs inherent in a receivership, (ii) the Receiver being able to mitigate the risks of the Receiver assuming operations and (iii) that continuing operations would enhance the value of the respective Properties.
65. As set out above, the Receiver did not have any records of the Companies with which to assess the profitability of any of the Company's operations.
66. The Etobicoke Property consisted of a car detailing business as well as a propane refill centre. The car detailing business is an employee intensive business which, if resumed, would require on site supervision by the Receiver. Additionally, the Receiver was uncertain whether the operations of the car wash would have been profitable without the propane refill centre being in operation. The Receiver's insurer has advised the Receiver that it will not provide insurance coverage if the propane operations are continued.
67. The Port Colborne Property car wash is a self-service car wash, largely coin-operated. The Receiver was not able to determine the profitability of that car wash since, as noted above, the Receiver was not in possession of any records with which to assess financial results. In addition, a representative of the neighbouring property informed the Receiver, when the Receiver initially attended at the Port Colborne Property, that the neighbouring business was often called over to rescue cars that had become stuck on the metal grates while attempting to use the car wash located on the premises.

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68. With reference to the gas stations at the Port Elgin Property and the Goderich Property, the Receiver obtained from Parkland information relating to the number of litres sold at each gas station. Based on its assessment of the number of litres sold, it did not appear to the Receiver that the operations of the gas stations would be profitable, particularly after taking into account the Receiver's costs of supervising the operations of the gas stations.
69. The Receiver understands that the fuel operations of a gas station can be a "loss leader" to draw customers to the convenience store that typically sells product at a high gross margin. However, without any financial records, the Receiver was not able to assess the operations of the convenience store at the two gas station locations.
70. Lastly, prior to being in a position to recommence operations, the Receiver would need to determine whether the requisite insurance coverage and safety certificates/licenses were, or could be, put in place and would need to arrange for an inspection of the gas tanks in order to confirm there were no pollution or other issues.
71. The Receiver also consulted with Avison Young which expressed its belief that a decision by the Receiver not to recommence operations would not negatively impact on the selling values of the Properties.
72. After considering the above matters, the Receiver decided not to recommence operations at any of the Properties.
73. As a result of the Receiver's decision not to recommence operations, and with the approach of winter, the Receiver arranged for the car washes at the the

Etobicoke Property, the Burlington Property, the Port Colborne Property and the Goderich Property to be winterized in November 2018. The winterization process included draining of the lines/pipes and the removal or disposal of chemicals (car wash fluids) on the premises.

74. In order to monitor the condition of the Properties on an ongoing basis, on October 22, 2018, the Receiver entered into an agreement with Moreau On Site Property Services ("**Moreau**") for Moreau to provide certain property management services including:

- i) weekly site inspections of the Properties;
- ii) obtaining quotes for repairs and maintenance; and
- iii) granting access to the premises and overseeing work to be done, as required.

75. The Receiver has engaged in regular communication with Moreau to address various issues that arise with respect to each of the Properties.

VIII. COMPUTERS AND PERSONAL PROPERTY CLAIMED

76. When the Receiver attended at the Etobicoke Property to take possession and control of that property, Ms. Ashad and Mr. Mohammed advised the Receiver that they had personal belongings at the Etobicoke Property including books and records pertaining to other businesses.

77. In particular, Ms. Ashad stated that there was a safe in the office and that there was cash inside the safe. Ms. Ashad explained that the cash in the safe represented funds that she collected from donors for a charity and that the funds did not represent assets of the Debtors. Ms. Ashad informed the Receiver that

she did not know how much cash was in the safe. Ms. Ashad provided the Receiver with the key to the safe and, upon opening the safe, the Receiver determined that it contained cash of \$2,560 (the "**Cash**"). The Receiver requested that Ms. Ashad provide documentation to support that the Cash was her personal property and on August 31, 2018 sent Ms. Ashad documentation to complete in order to assert her claim.

78. As of the date of this Report, Ms. Ashad has not provided any documentation in respect of the Cash. Based on Ms. Ashad's assertion that the Cash was not funds of the Debtors, the Receiver has not to date deposited the Cash into the Receiver's 1496765 (Etobicoke) bank account.
79. On September 5, 2018, Olubunmi Ogunniyi, legal counsel for the Debtors, wrote to the Receiver to ask when his clients might attend at the Etobicoke Property to retrieve their personal property. The Receiver requested that the Debtors provide a list of their personal belongings in order for the Receiver to determine if the Receiver would require the Debtors to provide proof of ownership for some or all of the items claimed.
80. On September 5, September 13 and October 11, 2018, the Receiver wrote to Ms. Ashad to ask for a list of personal items.
81. Notwithstanding that no list was provided to the Receiver and Mr. Ogunniyi did not respond to the Receiver's emails, the Receiver agreed to meet at the Etobicoke Property with Ms. Ashad and Mr. Mohammed in order for them to remove personal items claimed by them. At the time the meeting was being arranged, the Receiver informed Ms. Ashad and Mr. Mohammed that, should

they wish to claim any equipment or other items considered by the Receiver to be of high value, the Receiver would require them to provide documentation to prove their ownership of those items. On October 18, 2018, Ms. Ashad and Mr. Mohammed attended at the Etobicoke Property and removed most of their personal documents but did not remove, nor request the removal of, any other items.

82. The Receiver wrote to Ms. Ashad and Mr. Mohammed on October 24, 2018 to ask for a list of personal items and schedule a time for them to attend to remove the rest of any remaining personal property. As of the date of this report, Ms. Ashad and Mr. Mohammed have not responded.
83. On August 31, 2018, the Receiver requested from Ms. Ashad passwords to access the computers that were at the Etobicoke Property. On October 18, 2018, Mr. Mohammed advised the Receiver that they did not have a password for the computer at that time and the only person with the password was out of the country. No passwords have been provided to date.
84. In addition to the computers at the Etobicoke location, three computers were also located on the premises of the Port Colborne location and a computer was found at the Goderich Property. The Receiver has not been able to access the data, if any, on the hard drives of the computers.
85. As the Debtors have not claimed the return of the computers at the Properties, it appears to the Receiver that those computers are the property of the Companies. Accordingly, the Receiver intends to attempt to access any data saved on the hard drives of the computers in order to determine if there is any financial

information relating to the Debtors. As noted above, the Debtors have not provided the Receiver with any financial information nor any passwords to access the information on the computers.

86. Based on the above and taking into account that the Debtors have not responded to the Receiver's requests for a list of personal items, passwords for the computers or documents to support ownership of the Cash, the Receiver respectfully seeks an Order authorizing and directing the Receiver to:

- i) deposit the Cash into the Receiver's 1496765 (Etobicoke) trust account for the benefit of 1496765 (Etobicoke)'s creditors;
- ii) attempt to access any data saved on the hard drives of the computers found at the Etobicoke Property the Port Colborne Property and the Goderich Property or if that cannot be done, destroy the hard drives; and
- iii) sell or otherwise dispose of any personal items, including any remaining personal documents, at the Properties that are not removed under the Receiver's supervision from those properties within three business days of the date of the Approval and Vesting Order in respect of that Property.

IX. SUNSHINE AND SAM PROPANE

87. As noted earlier in the First Report, the Ontario Fuels Safety License for the propane refill centre located at the Etobicoke Property is issued to Sam Propane, not to Sunshine. Sam Propane is an Ontario Corporation incorporated on October 26, 2015. According to a corporate search dated September 4, 2018, the corporation's Treasurer is Azeem Mohammed and its directors are Mr. Mohammed and Abdul Quddus. A copy of the Corporation Profile report is

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- attached to this report as Appendix "J". The registered addresses of Sam Propane and its officer and directors are 5462 Dundas Street West, which is the address of the Etobicoke Property.
88. The Debtors advised the Receiver that Sam Propane has been operating the propane refill centre since mid-2016 and owns the propane tank, and that Sam Propane is owned by Azeem Mohammed and Abdul Quddus. The Receiver has requested from the Debtors, but has not received, documentation to support the claim that Sam Propane owns the propane tank.
89. On September 17, 2018, the Receiver contacted Primemax Energy ("Primemax"), the supplier of the propane gas, who subsequently confirmed to the Receiver that Primemax does not own the propane tank and that the propane for the tank was sold to Sam Propane. Primemax advised it was owed in excess of \$38,000 for propane fuel supplied to Sam Propane.
90. As the car wash operations were not recommenced and the Etobicoke Property was vacant, the Receiver was concerned that fuel remaining in the propane tank might present a safety concern. Accordingly, the Receiver arranged for Primemax to attend at the Etobicoke Property to determine how much fuel was in the tank and to drain the tank.
91. Prior to the tank being drained, on September 27, 2018, the Receiver sent a letter to Sam Propane c/o Mr. Mohammed advising that the Receiver would be arranging to have the propane tank drained. The Receiver requested that Sam Propane contact the Receiver by 5:00 p.m. October 2, 2018 if it was not in agreement with the Receiver's intended course of action. No response was

received from Sam Propane. On October 23, 2018, Primemax attended at the Etobicoke Property and drained the remaining propane in the tank.

92. As Mr. Mohammed advised the Receiver that the propane tank is owned by Sam Propane, and since the Receiver does not have any documentation to support that the propane tank is owned by any of the Debtors, the Receiver is excluding the propane tank from the sale of the Etobicoke Property.

X. PARKLAND/ULTRAMAR LEASES

93. Parkland Fuel Corporation ("**Parkland**"), which operates as, among other names, "**Ultramar**", provided the Receiver with copies of the lease and sublease agreements for the two gas stations (the "**Leases**"). The Receiver became concerned that certain terms of the Leases would have a negative impact on the sales process to be conducted by the Receiver. In particular, the Receiver was concerned that the Leases contained (i) a right of first refusal ("**ROFR**") to Parkland upon a sale of the Port Elgin Property and the Goderich Property and (ii) restrictions related to the purchase of fuel and other products.
94. Avison Young confirmed to the Receiver that the above terms contained in the Leases would likely have a detrimental effect on the sales processes for the Port Elgin Property and the Goderich Property.
95. Accordingly, on November 21, 2018, the Receiver issued an Early Termination Notice of Sublease in respect of each of the Port Elgin Property and the Goderich Property (the "**Sublease Terminations**"), notifying Parkland that the Receiver was terminating the subleases effective December 1, 2018 as the subleases

were in default. Copies of the Sublease Terminations (without Schedule C) are attached to this report as Appendix “K”.

96. In addition, on November 21, 2018, the Receiver issued an Early Termination Notice of Lease in respect of each of the Port Elgin Property and the Goderich Property (the “**Lease Terminations**”), notifying Parkland that the Receiver was terminating the leases effective December 21, 2018 as the leases were in default. Copies of the Lease Terminations (without Schedule C) are attached to this report as Appendix “L”.
97. Parkland did not respond to the Sublease Terminations or the Lease Terminations issued by the Receiver.

XI. TIM HORTONS AND TDL RIGHT OF FIRST REFUSAL

98. As noted earlier in this report, the Port Elgin Property includes a separate one-storey building occupied by a Tim Horton’s restaurant. The TDL Group Ltd. (“**TDL**”) is the lessee for the Tim Horton’s restaurant.
99. The lease provides TDL with a right of first refusal (the “**Tim Hortons ROFR**”) with respect to a bona fide offer to purchase all or part of the Port Elgin Property received by the landlord during the tenancy period. Before accepting any such offer, the landlord is required to give TDL the sole and exclusive right for a period of ten (10) banking days after the receipt of such notice, to elect to purchase the property upon the same terms and conditions as are contained in the offer.
100. As the Receiver was of the view that the Tim Horton’s restaurant enhances the value of the Port Elgin Property, the Receiver did not take any steps towards the termination of the TDL lease.

101. The agreement of purchase and sale for the Port Elgin Property includes provisions to address the Receiver's obligations in respect of the Tim Hortons ROFR. The Receiver is not presently seeking approval for the sale of the Port Elgin Property.

XII. PROPERTY TAXES

102. As per tax notices received in January or February 2019, the outstanding 2018 property taxes (including interest and penalty) for each of the Properties is set out below:

Property	Arrears
Etobicoke	\$ 5,213.80
Burlington	\$ 77,573.82
Port Colborne	\$ 15,098.81
Port Elgin	\$ 25,131.19
Goderich	\$ 2,081.95
Total	\$125,099.57

103. The Receiver has not paid any property taxes since its appointment. The property taxes will be paid from the closing proceeds from the sales of the individual properties.

XIII. APPRAISALS

104. The Receiver commissioned appraisals for the Properties. The results of the appraisals for the Etobicoke Property, the Burlington Property and the Port Colborne Property, as well copies thereof, are attached to this report in Confidential Appendices HH, II and JJ, respectively.

XIV. ENVIRONMENTAL SITE ASSESSMENTS

105. The Receiver contacted the consultants that had previously prepared environmental site assessments for the Properties to request that they prepare updates to their reports that could be included in the data room being made available to parties expressing interest in purchasing the Properties.
106. Supplemental updates were obtained from Trafalgar Environmental Consultants for the Etobicoke Property, the Burlington Property and the Port Colborne Property and from Rubicon Environmental (2008) Inc. for the Port Elgin Property and the Goderich Property. Based on the updates, it appears that no further environmental investigation by the Receiver is required at this time.

XV. MARKETING AND SALES ACTIVITIES

107. On August 30, 2018, the Receiver invited three realtors, Avison Young ("**Avison**"), CBRE Limited ("**CBRE**"), and Colliers International ("**Colliers**") to each submit listing proposals for the marketing and sale of the Properties. Listing proposals were received from Avison and Colliers; CBRE informed the Receiver that it would not be submitting a listing proposal. After considering the Avison and Colliers listing proposals, including the commission rates proposed by each realtor, on October 2, 2018, the Receiver, with BMO's concurrence, executed a listing agreement with Avison to market the Properties for sale.
108. Avison launched its marketing campaign on December 3, 2018. The process ran from December 3, 2018 to January 18, 2019 and interested parties were informed that the Receiver would consider offers for the Properties on or after

January 18, 2019. The Receiver provided Avison with forms of agreement of purchase and sale for each of the Properties on which offers for the Properties were to be submitted.

109. A summary of the marketing activities undertaken by Avison is set out below:

- (a) on December 3, 2018 and on January 10, 2019, an email communication ("**E-mail Blast**") was sent to over 1,200 contacts on Avison's mailing list;
- (b) marketing brochures ("**Brochures**") for each of the Properties, and on a combined basis, were prepared and distributed to parties that contacted Avison for more information;
- (c) on or about December 17, 2018, the properties were listed on the TREB MLS, and on the local MLS of the real estate boards for Port Colborne, Port Elgin and Goderich (the "**MLS Listings**");
- (d) the Properties were listed on Avison's website and on Loopnet; and
- (e) an electronic data room was set up to provide access to confidential information on the Properties to parties who signed a confidentiality agreement.

Copies of the E-mail Blast, the Brochures and the MLS Listings are attached collectively to this report as Appendix "**M**".

XVI. OFFERS RECEIVED

110. As set out above, interested parties were advised that offers for the Properties would be reviewed on or after January 18, 2019. As at that date, Confidentiality

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- Agreements were signed by 46 prospective purchasers or brokers, all of whom were given access to the electronic data room.
111. As of January 22, 2019, twenty offers had been submitted to Avison for the various Properties, substantially all of which offers were presented on the form of agreement of purchase and sale provided by the Receiver. A summary of the offers received for the Etobicoke Property, the Burlington Property and the Port Colborne Property are attached at Tab 1 to Confidential Appendices “HH”, “II” and “JJ”, respectively.
112. The Receiver reviewed with Avison and BMO the offers received, after which time Avison went back to certain offerors to give them an opportunity to improve or amend their offers. Those parties were requested to submit their revised offers by January 24, 2019, or in the case of the Port Colborne Property, by close of business on January 28, 2019.
113. A copy of the summary of offers received at the conclusion of the second round of offers for the Etobicoke Property, the Burlington Property and the Port Colborne Property are attached at Tab 2 to Confidential Appendices “HH”, “II” and “JJ”, respectively. The Receiver reviewed the offers received, including any amended offers, and worked through Avison to have the terms of the offers that the Receiver proposed to accept finalized in order that the Receiver would be in a position to accept those offers.
114. As of February 4, 2019, the Receiver had entered into the following agreements of purchase and sale, which are subject to approval of the Court:

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- i) with 2677323 Ontario Inc. (the “**Etobicoke Purchaser**”) for the Etobicoke Property (the “**Etobicoke APS**”);
 - ii) with Harsha Nimrani in trust corporation to be incorporated (the “**Burlington Purchaser**”) for the Burlington Property (the “**Burlington APS**”); and
 - iii) with 2573702 Ontario Inc. (the “**Port Colborne Purchaser**”) for the Port Colborne Property (the “**Port Colborne APS**”).
115. The Receiver has entered into an agreement of purchase and sale for the Port Elgin Property (the “**Port Elgin APS**”) that is subject to a 30-day conditional period for the condition referenced in that agreement. The Receiver will at a later date bring an application for Court approval of the Port Elgin APS after the purchaser waives its condition and the Receiver addresses the Tim Hortons ROFR.
116. With reference to the Goderich Property, Avison has recommended to the Receiver that Avison continue its marketing activities for that property.

XVII. THE ETOBOCOKE APS, THE BURLINGTON APS AND THE PORT COLBORNE APS

117. Salient terms of the Etobicoke APS, the Burlington APS and the Port Colborne APS (collectively, the “**Three APS**”) and matters relating thereto include (all capitalized terms in this section not defined in the Three APS are as otherwise defined in the First Report):
- i) the purchased assets include the Etobicoke Property, the Burlington Property and Port Colborne Property, as applicable. In the Etobicoke APS,

the definition of Property excludes the propane tank located on the Etobicoke Property;

- ii) a deposit of 10% of the Purchase Price has been received from each of the purchasers;
- iii) the offers are firm as the Purchasers have waived conditions;
- iv) the Etobicoke APS, the Burlington APS and the Port Colborne APS are each conditional on court approval and the issuance of an order vesting title to the purchased assets in the respective purchasers free and clear of claims and encumbrances, other than those specifically itemized in the Agreement;
- v) the respective purchasers are buying the Property on an "as is, where is" basis; and
- vi) closing of the sales provided for in the Etobicoke APS and the Port Colborne APS are scheduled to occur on the tenth Business Day following the date on which the Vesting Order is granted, or such other date as agreed between the respective purchasers and the Receiver. Closing of the sale provided for in the Burlington APS is scheduled to occur on the twentieth Business Day following the date on which the Vesting Order is granted, or such other date as agreed between the Burlington Purchaser and the Receiver.

118. Copies of the Etobicoke APS, the Burlington APS and the Port Colborne APS are attached to this report at Tab 3 to Confidential Appendices "HH", "II" and "JJ", respectively.

XVIII. APPROVAL OF SALES

119. The Receiver believes that the marketing process undertaken by the Receiver was appropriate for the type of property in question, and provided sufficient market exposure to the Etobicoke Property, the Burlington Property and the Port Colborne Property, for the following reasons:

- (i) notice of the sale of the Properties was sent to more than 1,200 parties;
- (ii) the Etobicoke Property, the Burlington Property and the Port Colborne Property were each listed for sale on MLS;
- (iii) the Etobicoke Property, the Burlington Property and the Port Colborne Property were listed on Avison's website and Loopnet; and
- (iv) the Etobicoke Property, the Burlington Property and the Port Colborne Property were exposed to the market for a period of approximately six weeks.

120. The Receiver therefore recommends the approval of the Etobicoke APS, the Burlington APS and the Port Colborne APS by this Honourable Court.

121. The Receiver believes that details of the listing proposals and the offers submitted for the Properties including matters relating thereto should be kept confidential until the closing of the transactions of each of the Etobicoke Property, the Burlington Property and the Port Colborne Property. The Receiver is of the view that public disclosure thereof would have a negative impact on the future marketing of the Etobicoke Property, the Burlington Property and the Port Colborne Property should the respective transactions with the purchasers of each not be approved or completed.

122. The Receiver therefore respectfully requests that:

- i) Confidential Appendix "HH" be sealed until after the closing of the sale of the Etobicoke Property;
- ii) Confidential Appendix "II" be sealed until after the closing of the sale of the Burlington Property; and
- iii) Confidential Appendix "JJ" be sealed until after the closing of the sale of the Port Colborne Property.

XIX. CIBC ACCOUNTS

123. CIBC provided to the Receiver copies of bank statements for three bank accounts; one for 1496765 (Etobicoke), one for 2496800 (Goderich) and one for Sunshine. The Receiver reviewed the bank statements and noted that there were certain transactions for which additional information was required in order for the Receiver to determine (i) if the transactions were of a nature that the Receiver should pursue; and/or (ii) if there were other bank accounts at CIBC for which the Receiver did not receive the information requested.

124. Below are descriptions of the transactions of note for which CIBC has provided additional detail:

(a) 1496765 (Etobicoke)

- on June 14, 2018, a cheque for \$529,726.81 from SK Lawyers Professional Corporation, made payable to 1496765 Ontario Ltd., was deposited to the CIBC bank account. On the same day, \$529,000 was paid out by way of three bank drafts for \$250,000 to Sunil Bhardwaj,

\$199,000 to Mian Afzalaqif, and \$50,000 to Rozina Jessani, and via a transfer for \$30,000 to Auto Car Wash or Auto-Car Wash Co.;

- five cheques for \$6,673.00 each cleared every month from July to November 2018. The cheques were payable to 10831824 Canada Inc.; and
- personal cheques for \$7,500 and \$7,800 from Mian Afzalaqif were deposited on September 6, 2018 and October 9, 2018, respectively;

(b) 2496800 (Goderich)

- on March 6, 2018, there was a deposit of a \$350,000 bank draft from Mian Adnan Aqif payable to 2496800 (Goderich) and a same day transfer out of that account to a bank account held by Sunil Bhardwaj and Saneh Lata Bhardwaj;
- on March 21, 2018, a bank draft for \$500,000 from SMV Financial Service was deposited. On the same day, a bank draft for that amount was issued to Sunil Bhardwaj; and
- on September 4, 2018, there was a withdrawal of \$2,700 from the account. The name of the individual signing the withdrawal slip is not legible.

125. The Receiver has not yet determined whether it will proceed further with inquiries into any of the above transactions. The Receiver will discuss with key stakeholders whether it is prudent to pursue one or more of these transactions and will report further to the Court going forward.

XX. OTHER ENTITIES

126. During the course of the receivership administration, the Receiver has come across the names of other entities that appear to be related to one or more of the Debtors, including the following:

1401151 Ontario Ltd.
1944563 Ontario Inc.
Auto Car Wash / Auto-Car Wash Co.
Clean In Comfort
Dundas & Kipling Car Wash
Dundas Propane and Car Wash
Kipling and Dundas Propane
Kipling-Dundas Propane Co.
North Queen Propane
Shark Car Wash
Shark Car Wash Burlington
Sparkle Kleen Car Wash
Sparkle-Kleen-Carwash & Propane Ltd.

127. The Receiver has observed that many of the above entities share the same mailing or business address as 1496765 (Etobicoke), that some of the names are referenced on correspondence to the Debtors or appear to be used as operating names for the car washes operated by the Debtors. In addition, the Receiver found two credit card terminals at the Etobicoke Property for which two Moneris accounts were set up in the name of 1944563 Ontario Inc. ("1944563") operating as Dundas & Kipling Car Wash and as Dundas Propane & Car Wash. The Receiver has no information to determine whether revenues from the

operations conducted at the Etobicoke Property were deposited to the account of 1944563, to the account of 1496765 (Etobicoke) or elsewhere.

128. On January 30, 2019, the Receiver corresponded with the Debtors' legal counsel to obtain information regarding the relationship between the above entities and the Debtors and has not yet received a response to its correspondence.

XXI. SECURED OR PRIORITY CLAIMS

129. Attached to this report as **Appendices "N" to "R"** are copies of searches of the Parcel Register for Property Identifier reports from the Ontario Land Registry Office dated June 20, 2018 for the Etobicoke Property, the Burlington Property, the Port Colborne Property, the Port Elgin Property and the Goderich Property, respectively (the **"Title Searches"**).
130. Attached to this report as **Appendices "S" to "X"** are copies of searches conducted against the Respondents under the Personal Property Security Registration System dated September 6, 2018 for 1496765 (Etobicoke), 1651033 (Burlington), 1527020 (Port Colborne), 2495087 (Port Elgin), 2496800 (Goderich) and Sunshine, respectively (the **"PPSA Searches"**).
131. The claims registered against the Debtors, based on the information set out in the Title Searches and the PPSA Searches and which have not been audited or verified by the Receiver, are as follows:

Name of Registrant	Amount*	PPSA	PIN
1496765 (Etobicoke)			
Bank of Montreal	\$ 3,450,000	Y	Y
10831824 Canada Inc.	\$ 572,000		Y
1651033 (Burlington)			
Bank of Montreal	\$4,180,000	Y	Y
SDM Construction Inc.	\$2,549,484		Y
1527020 (Port Colborne)			
Bank of Montreal	\$1,550,000	Y	Y
2495087 (Port Elgin)			
Bank of Montreal	\$2,360,000	Y	Y
2496800 (Goderich)			
Bank of Montreal	\$1,825,000	Y	Y
Sunshine Propane Inc.			
Bank of Montreal		Y	
Her Majesty in right of Ontario, represented by the Minister of Finance	\$ 136,562	Y	
Merchant Advance Capital		Y	
Roynat Inc.		Y	
Thinking Capital		Y	

* Amounts as registered.

132. The Receiver has received legal opinions from Paliare Roland that, subject to the assumptions and qualifications contained in Paliare Roland's opinion letters, the mortgages granted in favour of BMO on each of the Etobicoke Property, the Burlington Property and the Port Colborne Property create valid first-ranking charges against the respective Property (the "**Security Opinions**"). Copies of the Security Opinions are attached to this report at Appendix "Y".
133. As set out on statements provided by BMO to the Receiver ("the "**BMO Statements**"), as of February 4, 2019, the amount owed by each of the Debtors to BMO is set out below:

1496765 (Etobicoke)	\$ 2,227,185
1651033 (Burlington)	2,628,839
1527020 (Port Colborne)	1,544,162
2495087 (Port Elgin)	2,478,332
2496800 (Goderich)	1,805,822
Total	\$ 10,684,340

The above amounts include advances made by BMO for which Receiver Certificates were issued. Copies of the BMO Statements are attached to this report at Appendix "Z".

Deemed Trust Claims of Canada Revenue Agency

134. In September 2018, CRA advised the Receiver that, with the exception of 1527020 (Port Colborne), the Debtors were not up-to-date in the filing of their respective returns.
135. CRA also informed the Receiver that certain of the Debtors did not have accounts registered at CRA. CRA has provided the amounts owing by the Debtors on account of source deductions and HST for those Debtors that did have accounts at CRA. A summary of the information provided by CRA is as follows:

Name	Source Deductions Liability	HST Liability
1496765 (Etobicoke)	\$2,601.00	\$44,050.97 (estimated)
1651033 (Burlington)	No account	Account closed Dec. 31, 2012
1527020 (Port Colborne)	Nil	(\$7,917.74) credit
2495087 (Port Elgin)	No account	Nil
2496800 (Goderich)	No account	Nil
Sunshine	\$966.22	\$2,194.69

Copies of correspondence from CRA dated September 14 and 19, 2018 summarizing the above are attached to this report as Appendix “AA”.

136. With respect to 1527020 (Port Colborne), CRA has indicated that, according to its records, 1527020 (Port Colborne) ceased operating on January 31, 2010, has no overdue HST returns and has a credit of \$7,917.74 on its HST account that has been withheld and not refunded to 1527020 (Port Colborne) due to the non-filing of corporate tax returns for the years 2010 to 2018.
137. Subsequent to CRA’s aforementioned correspondence, on January 10, 2019, CRA issued a Notice of Assessment for 2496800 (Goderich) assessing its estimated HST liability for the period November 1, 2016 to August 29, 2018 to be \$26,197.73. A copy of the Notice of Assessment is also attached to this report at Appendix “AA”.
138. Based on the above, it appears to the Receiver that substantially all (if not all) of the Companies have not filed returns to CRA on account of source deductions and HST. For example, the Receiver is not aware of the basis upon which 2495087 (Port Elgin) and 2496800 (Goderich) paid employees who, the Receiver would expect, would be employed to conduct the operations of the respective gas stations and convenience stores in Port Elgin and Goderich since no payroll accounts appear to have been set up for 2495087 (Port Elgin) and 2496800 (Goderich).
139. The Receiver does not have possession and or access to accounting and financial records of the Debtors and thus is unable to attempt to calculate the potential source deductions and HST liabilities of the Companies.

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140. As a result, the quantum of the Companies' liabilities for source deductions and HST are, for the most part, unknown.
141. On September 10, 2018, the Receiver wrote to CRA to request that CRA contact the Receiver to schedule a trust exam of the Companies' HST and payroll accounts. On September 14, 2018, in response to CRA's inquiry as to the location of the Companies' books and records, the Receiver provided CRA with the contact information that it had for representatives of the Debtors and for the Debtors' legal counsel, Mr. Ogunniyi. As the Receiver had not received any update from CRA, the Receiver wrote to CRA on February 1, 2019 to inquire as to the status of the trust exams.
142. The Receiver has submitted Form RC342 to CRA on account of all the Debtors' accounts to request that CRA waive the requirement for corporate tax returns to be filed by the Receiver in order that the Receiver may recover HST Input Tax Credits to which it may be entitled as a result of the receivership proceedings.

Deemed Trust Claim of Minister of Finance ("MOF")

143. The Receiver has received from MOF notice of MOF's Deemed Trust Claim against Sunshine for \$118,810.38 in respect of estimated liabilities under the Gasoline Tax Act. As noted above, MOF has a PPSA registration against Sunshine. A copy of correspondence from MOF setting out its claim is attached to this report as Appendix "BB".
144. The Receiver's only receipt to date in respect of Sunshine's assets is a refund of \$3,292.96 from Toronto Hydro representing a refund of a security deposit. The

Receiver will review with Paliare Roland the Receiver's position in respect of MOF's deemed trust claim.

Wage Earner Protection Program Act ("WEPPA")

145. As set out earlier in the First Report, the Receiver is not in possession of any financial information relating to the operations of the Companies, including any payroll or other information which would provide any details regarding employees, if any, who were employed by the Companies.
146. As a result, the Receiver has not been able to carry out its obligations pursuant to the provisions of WEPPA in respect of each of the Companies.

XXII. STATUTORY NOTICES AND REPORTS

147. Attached to this report as **Appendix "CC"** is the Notice and Statement of Receiver prepared pursuant to Sections 245(1) and 246(1) of the Bankruptcy and Insolvency Act in respect of each of the Debtors.

XXIII. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

148. Attached to this report as **Appendix "DD"** is the Receiver's Interim Statement of Receipts and Disbursements for the period August 29, 2018 to January 31, 2019 (the "**R&D**"). The R&D sets out the Receiver's receipts and disbursements for each of the Debtors, as well as on a combined basis.
149. On a summary combined basis; total receipts were \$506,719 and total disbursements were \$337,828, resulting in a net cash surplus of \$168,891, as follows:

Company Name	Cash Receipts	Cash Disbursements	Excess of Receipts over Disbursements
1496765 (Etobicoke)	\$ 99,036	\$ 74,471	\$ 24,565
1651033 (Burlington)	\$ 87,000	\$ 51,279	\$ 35,721
1527020 (Port Colborne)	\$ 99,000	\$ 63,691	\$ 35,309
2495087 (Port Elgin)	\$ 115,462	\$ 74,107	\$ 41,355
2496800 (Goderich)	\$ 102,928	\$ 72,421	\$ 30,507
Sunshine	\$ 3,293	\$ 1,858	\$ 1,435
Total	\$ 506,719	\$ 337,828	\$ 168,891

150. On or about September 6, October 30 and December 7, 2018, the aggregate amounts of \$105,000, \$35,000 and \$343,000, respectively, for a total amount of \$483,000, were advanced to the Receiver by BMO. A summary of the Receiver Certificates issued by the Receiver to BMO is attached as Appendix "EE" to this report.

XXIV. PROPOSED INTERIM DISTRIBUTION

151. Upon the closing of the sale of each of the Etobicoke Property, the Burlington Property and the Port Colborne Property and receipt by the Receiver of the net sales proceeds therefrom, funds will be available for the Receiver to make an interim distribution.
152. As set out above, the Receiver has received Security Opinions indicating that the mortgages granted by the Debtors to BMO in respect of the Etobicoke Property, the Burlington Property and the Port Colborne Property are validly registered and that those mortgages rank first in priority to the security interests of other parties in respect of those Properties.

153. On the closing of the sales of the Etobicoke Property, the Burlington Property and/or the Port Colborne Property, the Receiver proposes to make the following payments from the net proceeds, after payments of the property taxes and commissions payable to Avison in respect of any Property sold, (the “**Interim Distribution**”):

- (a) to the Receiver an amount equal to the unpaid accounts of the Receiver on account of operating expenses and the Receiver’s professional fees and disbursements;
- (b) to Paliare Roland an amount equal to the unpaid accounts of Paliare Roland;
- (c) to BMO, following the sale of the Etobicoke Property, the advances totaling \$99,000 under Receiver Certificates # 2, 6 and 9 plus accrued interest;
- (d) to CRA, \$2,601.00 owed on account of 1496765 (Etobicoke)’s source deductions deemed trust liability;
- (e) to BMO, following the sale of the Etobicoke Property, an amount not exceeding the outstanding indebtedness of 1496765 (Etobicoke) to BMO secured by BMO’s first mortgage over the Etobicoke Property;
- (f) to BMO, following the sale of the Burlington Property, the advances totaling \$87,000 under Receiver Certificates # 1, 8 and 11 plus accrued interest;
- (g) to BMO, following the sale of the Burlington Property, an amount not exceeding the outstanding indebtedness of 1651033 (Burlington) to BMO secured by BMO’s first mortgage over the Burlington Property;

(h) to BMO, following the sale of the Port Colborne Property, the advances totaling \$99,000 under Receiver Certificates # 3, 7 and 10 plus accrued interest; and

(i) to BMO, following the sale of the Port Colborne Property, an amount not exceeding the outstanding indebtedness of 1527020 (Port Colborne) to BMO secured by BMO's first mortgage over the Port Colborne Property.

154. The Receiver proposes to hold back, in respect of each of the Companies, amounts to cover unpaid operating expenses, potential deemed trust claims and future professional fees.

XXV. PROFESSIONAL FEES

155. The Receiver's accounts total \$233,515.50 in fees plus HST of \$30,357.02 for a total amount of \$263,872.52 for the period ending January 31, 2019 (the "**Receiver's Accounts**"). A copy of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Daniel Weisz sworn February 11, 2019 attached to this report as Appendix "**FF**".

156. The accounts of the Receiver's counsel, Paliare Roland total \$34,092.15 in fees and disbursements and \$4,431.98 in HST for a total of \$38,524.13 (the "**Paliare Roland Accounts**") for the period ending January 31, 2019. A copy of the Paliare Roland Accounts, together with a summary of the personnel, hours and hourly rates described in the Paliare Roland Accounts, is set out in the Affidavit of Michelle Jackson sworn February 12, 2019 attached to this report as Appendix "**GG**".

-
157. The Receiver is seeking approval of the Receiver's Accounts and the Paliare Roland Accounts.

XXVI. CONCLUSION AND REQUEST OF THE COURT

158. The Receiver respectfully requests that the Court grant Orders which provide for the following:

- (a) authorizing and directing the Receiver to enter into and carry out the terms of the Etobicoke APS together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Etobicoke Property in the Etobicoke Purchaser, or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the Etobicoke APS and the delivery of a Receiver's certificate to the Etobicoke Purchaser;
- (b) authorizing and directing the Receiver to enter into and carry out the terms of the Burlington APS together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Burlington Property in the Burlington Purchaser, or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the Burlington APS and the delivery of a Receiver's certificate to the Burlington Purchaser;
- (c) authorizing and directing the Receiver to enter into and carry out the terms of the Port Colborne APS together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Port Colborne Property in the Port Colborne Purchaser, or as it may

further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the Port Colborne APS and the delivery of a Receiver's certificate to the Port Colborne Purchaser;

(d) sealing the following Confidential Appendices:

- (i) Confidential Appendix "HH" to the First Report until the closing of the sale of the Etobicoke Property;
- (ii) Confidential Appendix "II" to the First Report until the closing of the sale of the Burlington Property; and
- (iii) Confidential Appendix "JJ" to the First Report until the closing of the sale of the Port Colborne Property;

(e) authorizing and directing the Receiver to deposit the Cash into the receivership trust account for the benefit of 1496765 (Etobicoke)'s creditors;

(f) authorizing and directing the Receiver to attempt to access any data saved on the hard drives of the computers found at the Etobicoke Property, the Port Colborne Property and the Goderich Property or if that cannot be done, to destroy the hard drives;

(g) authorizing the Receiver to sell or otherwise dispose of any remaining items at the Properties, including personal property and documents that may belong to individuals related to the Debtors, that are not removed under the Receiver's supervision from those Properties within three business days of the date of the Approval and Vesting Order issued in respect of that Property;

(h) authorizing the Receiver to make the Interim Distribution;

-
- (i) approving the First Report and the Receiver's conduct and activities to February 11, 2019;
 - (j) approving the R&D;
 - (k) approving the fees and disbursements of the Receiver incurred to January 31, 2019; and
 - (l) approving the fees and disbursements of Paliare Roland incurred to January 31, 2019.

All of which is respectfully submitted to this Court as of this 13th day of February, 2019.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver and Manager of
1496765 Ontario Ltd., 1651033 Ontario Ltd., 1527020 Ontario Inc.,
2495087 Ontario Inc., 2496800 Ontario Inc., and Sunshine Propane Inc.
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice President

APPENDIX C

COUNSEL SLIP

Court File No. CV-18-00602537-00CLDate: FEB 21, 2019No. On List 4Title of
Proceeding

BANK OF MONTREAL-v-2495087 ONTARIO INC. et al

Counsel for:

Plaintiff(s)
Applicant(s)
Petitioner(s)Jeffrey Lavery & Elizabeth
for Receiver Rabinovitch

Phone No.

416 646 4330

Fax No.

416 646 4301

Counsel for:

Defendant(s)
Respondent(s)

OLUBUNMI OGUNNIRI

Phone No.

416-997-3010

Fax No.

1-877-201-
3476Stewart D. Thom T 416-777-5197
F 416 863-0305

stthom@tor.kinman.com

Bank of Montreal

SDM CONSTRUCTION INC.

416 8
905 851 2626

21 Feb 19

Debtor conference opposing the sales. Will
be heard March 4/19 90 mins. any judge.
Confirmed. Debtor conference to serve materials
asap. Lien claimant issue also needs to
be resolved

McEnt

Addendum to

Confidential docs to remain sealed.

McEnt

APPENDIX D

Court File No. CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

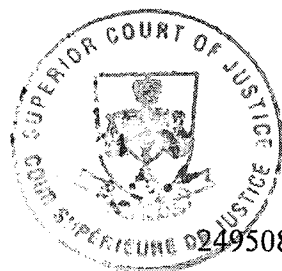
THE HONOURABLE	)	MONDAY, THE 4 TH DAY
JUSTICE <i>Chiappetta</i>)	
	)	OF MARCH, 2019

BETWEEN:

BANK OF MONTREAL

Applicant

- and -



2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

APPROVAL AND VESTING ORDER
(Re 5462 Dundas St. W., Etobicoke, Ontario)

THIS MOTION, made by **RSM Canada Limited** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1496765 Ontario Ltd. ("**1496765**"), including all proceeds thereof (collectively, the "**Property**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and 2677323 Ontario Inc. (the "**Purchaser**") made as of January 24, 2019 and accepted on January 30, 2019 and appended to the Report of the Receiver dated February 13, 2019 (the "**Report**"), and vesting in the Purchaser 1496765's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of respective counsel for the Receiver, the Applicants, the Purchaser, and such other counsel as were present, and no one else appearing, although properly served as appears from the affidavit of Michelle Jackson sworn February 13, 2019 filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of 1496765 and its stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Receiver's and all of 1496765's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hailey dated August 29, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Toronto (#66) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby

directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

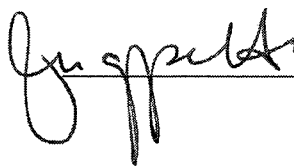
5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of 1496765 and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of 1496765;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 1496765 and shall not be void or voidable by creditors of 1496765, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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.

A handwritten signature in black ink, appearing to be "J. G. Smith", is written over a horizontal line.

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

MAR 05 2019

PER / PAR: RW

Schedule A – Form of Receiver’s Certificate

Court File No. CV-18-00602537-00CL

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

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "**Court**") dated August 29, 2018, RSM Canada Limited was appointed as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1496765 Ontario Ltd. ("**1496765**"), including all proceeds thereof (collectively, the "**Property**").

B. Pursuant to an Order of the Court dated March 4, 2019 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale made as of January 24, 2019 and accepted on January 30, 2019 (the "**Sale Agreement**") between the Receiver and 2677323 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver’s and 1496765’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement or the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [TIME] on ► [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver and Manager of 1496765
Ontario Ltd. and not in its personal or corporate
capacity and without personal or corporate liability**

Per: _____

Name: ►

Title: ►

Schedule B – Purchased Assets

All of the Receiver's (if any) and 1496765's right, title and interest in and to the Property and the Building (as defined in the Sale Agreement) including, without limitation, the following real property:

MUNICIPAL ADDRESS: 5462 Dundas Street, Etobicoke, ON

LEGAL DESCRIPTION: PT LT 8, CON 5 COLONEL SMITH'S TRACT , PART 3 ,
64R7025; ETOBICOKE, CITY OF TORONTO

PIN: 07548 – 0145 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

The following Instruments are to be discharged upon registration of the Vesting Order:

1. Instrument No. AT3551060 registered on April 2, 2014, being a Charge in favour of Bank of Montreal in the principal amount of \$1,000,000.00.
2. Instrument No. AT3633478 registered on July 15, 2014, being a Charge in favour of Bank of Montreal in the principal amount of \$2,450,000.00.
3. Instrument No. AT3633479 registered on July 15, 2014, being a Notice of Assignment of Rents (General) in favour of Bank of Montreal.
4. Instrument No. AT3633480 registered on July 15, 2014, being a Postponement in favour of Bank of Montreal.
5. Instrument No. AT4886114 registered on June 14, 2018, being a Charge in favour of 10831824 Canada Inc.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Property (as defined in the Sales Agreement) means:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property;

10. The following instruments registered on title to the Property:
- i. Instrument No. EB187575 registered on 1957/08/19 being a Certificate.
 - ii. Instrument Number 64R6287 registered on July 19, 1977, being a Plan Reference.
 - iii. Instrument No. EB481910 registered on 1977/08/12 being an Agreement with Borough of Etobicoke.
 - iv. Instrument Number 64R6807 registered on April 13, 1978, being a Plan Reference.
 - v. Instrument Number 64R7025 registered on July 20, 1978, being a Plan Reference.
 - vi. Instrument No. EB512494 registered on 1979/07/23 being an Agreement with Borough of Etobicoke.

BANK OF MONTREAL
Applicant

-and-

Court File No. CV-18-00602537-00CL
2495087 ONTARIO INC. et al.
Respondents

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

**APPROVAL AND VESTING ORDER
(Re 5462 Dundas St. W., Etobicoke, Ontario)**

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West
35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSUC# 44608D)

Tel: 416.646.4330

jeff.larry@paliareroland.com

Elizabeth Rathbone (LSO# 70331U)

Tel: 416.646.7488

elizabeth.rathbone@paliareroland.com

Lawyers for the Receiver

APPENDIX E

Court File No. CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 4TH DAY
)	
JUSTICE <i>Chiappetta</i>	)	OF MARCH, 2019

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

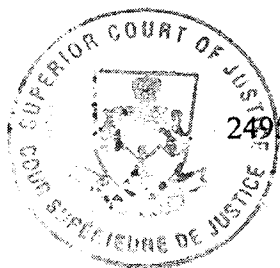
2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

APPROVAL AND VESTING ORDER
(Re 5223 Dundas Street, Burlington, Ontario)

THIS MOTION, made by **RSM Canada Limited** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1651033 Ontario Ltd. ("**1651033**"), including all proceeds thereof (collectively, the "**Property**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Harsha Nimrani in trust for a corporation to be incorporated, which corporation was subsequently incorporated as 2680944 Ontario Inc. (the "**Purchaser**") dated January 25, 2019 and accepted on January 30, 2019 and appended to the Report of the Receiver dated February 13, 2019 (the "**Report**"), and vesting in the Purchaser 1651033's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.



ON READING the Report and on hearing the submissions of respective counsel for the Receiver, the Applicants, the Purchaser, and such other counsel as were present, and no one else appearing, although properly served as appears from the affidavit of Michelle Jackson sworn February 13, 2019, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of 1651033 and its stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Receiver's and all of 1651033's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated August 29, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Halton (#20) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby

directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

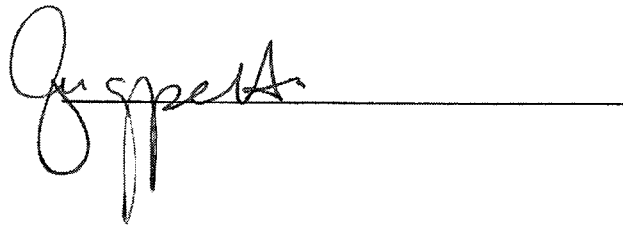
5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of 1651033 and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of 1651033;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 1651033 and shall not be void or voidable by creditors of 1651033, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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.



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

MAR 05 2019

PER / PAR: RW

Schedule A – Form of Receiver’s Certificate

Court File No. CV-18-00602537-00CL

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

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hailey of the Ontario Superior Court of Justice (the "**Court**") dated August 29, 2018, RSM Canada Limited was appointed as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1651033 Ontario Ltd. ("**1651033**"), including all proceeds thereof (collectively, the "**Property**").

B. Pursuant to an Order of the Court dated February 21, 2019 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale made as of January 25, 2019 (the "**Sale Agreement**") between the Receiver and Harsha Nimrani in trust for a corporation to be incorporated, which corporation was subsequently incorporated as 2680944 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver’s and 1651033’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement or the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [TIME] on ► [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver and Manager of 1651033
Ontario Ltd. and not in its personal or corporate
capacity and without personal or corporate liability**

Per: _____

Name: ►

Title: ►

Schedule B – Purchased Assets

All of the Receiver's (if any) and 1651033's right, title and interest in and to the Property and the Building (as defined in the Sale Agreement) including, without limitation, the following real property:

MUNICIPAL ADDRESS: 5223 Dundas Street, Burlington, ON

LEGAL DESCRIPTION: PT LT 3, CON 1 NEL NDS, PTS 1 & 2, 20R18227 SAVE & EXCEPT PT 1 20R19559; SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 PLAN 20R18227 AS IN HR756568; CITY OF BURLINGTON

PIN: 07201-0178 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

The following Instruments are to be discharged upon registration of the Vesting Order:

1. Instrument No. HR1172775 registered on April 2, 2014, being a Charge in favour of Bank of Montreal in the principal amount of \$3,180,000.00.
2. Instrument No. HR1172775 registered on April 2, 2014, being a Notice of Assignment of Rents (General) in favour of Bank of Montreal.
3. Instrument No. HR1196588 registered on July 15, 2014, being a Charge in favour of Bank of Montreal in the principal amount of \$1,000,000.00.
4. Instrument No. HR1568135 registered on August 31, 2018 is a Construction Lien in favour of SDM Construction Inc.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Property (as defined in the Sales Agreement) means:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property;

10. The following instruments registered on title to the Property:
- i. Instrument No. HR746940 registered 2009/04/24 is a NOTICE with THE CORPORATION OF THE CITY OF BURLINGTON.
 - ii. Instrument No. HR756566 registered 2009/06/03 is a NOTICE with THE REGIONAL MUNICIPALITY OF HALTON.
 - iii. Instrument No. HR756568 registered 2009/06/03 is a TRANSFER EASEMENT in favour of THE REGIONAL MUNICIPALITY OF HALTON.

BANK OF MONTREAL
Applicant

-and-

Court File No. CV-18-00602537-00CL
2495087 ONTARIO INC. et al.
Respondents

ONTARIO

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER
(Re 5223 Dundas Street, Burlington, Ontario)

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West
35th Floor
Toronto, ON M5V 3H1
Tel: 416.646.4300
Fax: 416.646.4301

Jeffrey Larry (LSUC# 44608D)
Tel: 416.646.4330
jeff.larry@paliareroland.com

Elizabeth Rathbone (LSO# 70331U)
Tel: 416.646.7488
elizabeth.rathbone@paliareroland.com

Lawyers for the Receiver

APPENDIX F

Court File No. CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

JUSTICE

Chiappetta)
)
)MONDAY, THE 4TH DAY

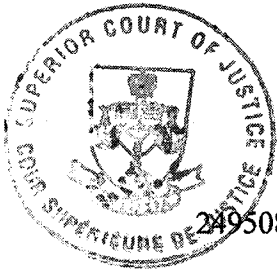
OF MARCH, 2019

BETWEEN:

BANK OF MONTREAL

Applicant

- and -



2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

APPROVAL AND VESTING ORDER
(Re 633 Main Street West, Port Colborne, Ontario)

THIS MOTION, made by **RSM Canada Limited** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1527020 Ontario Inc. ("**1527020**"), including all proceeds thereof (collectively, the "**Property**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and 2573702 Ontario Inc. (the "**Purchaser**") dated January 19, 2019 and accepted on February 1, 2019 and appended to the Report of the Receiver dated February 13, 2019 (the "**Report**"), and vesting in the Purchaser 1527020's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of respective counsel for the Receiver, the Applicants, the Purchaser, and such other counsel as were present, and no one else appearing, although properly served as appears from the affidavit of Michelle Jackson sworn February 13, 2019, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of 1527020 and its stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Receiver's and all of 1527020's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated August 29, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Niagara South Welland (#59) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land

Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

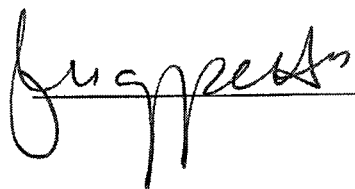
5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of 1527020 and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of 1527020;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 1527020 and shall not be void or voidable by creditors of 1527020, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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.

A handwritten signature in black ink, appearing to read "B. J. P. P.", is written over a horizontal line.

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

MAR 05 2019

PER / PAR: *RW*

Schedule A – Form of Receiver's Certificate

Court File No. CV-18-00602537-00CL

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

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "**Court**") dated August 29, 2018, RSM Canada Limited was appointed as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1527020 Ontario Inc. ("**1527020**"), including all proceeds thereof (collectively, the "**Property**").

B. Pursuant to an Order of the Court dated February 21, 2019 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale made as of January 19, 2019 (the "**Sale Agreement**") between the Receiver and 2573702 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver's and 1527020's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement or the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [TIME] on ► [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver and Manager of 1527020
Ontario Inc. and not in its personal or corporate
capacity and without personal or corporate liability**

Per: _____

Name: ►

Title: ►

Schedule B – Purchased Assets

All of the Receiver's (if any) and 1527020's right, title and interest in and to the Property and the Building (as defined in the Sale Agreement) including, without limitation, the following real property:

MUNICIPAL ADDRESS:	633 Main Street West, Port Colborne, ON
LEGAL DESCRIPTION:	PT LT 32 CON 2 HUMBERSTONE AS IN RO555223; PORT COLBORNE
PIN:	64139 - 0013 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

The following Instruments are to be discharged upon registration of the Vesting Order:

1. Instrument No. SN486746 registered on October 18, 2016, being a Charge in favour of Bank of Montreal in the principal amount of \$1,550,000.00.
2. Instrument No. SN486747 registered on October 18, 2016, being a Notice of Assignment of Rents (General) in favour of Bank of Montreal.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Property (as defined in the Sales Agreement) means:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property;

- 6 -

10. The following instruments registered on title to the Property:
 - i. Instrument No. AA73912 registered on June 11, 1962 being a Bylaw
 - ii. Instrument No. SN32426 registered on May 6, 2004 is a Notice of Site Plan Agreement between Young Bros. Garage Limited and The Corporation of The City of Port Colborne

BANK OF MONTREAL
Applicant

-and-

Court File No. CV-18-00602537-00CL
2495087 ONTARIO INC. et al.
Respondents

	<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE COMMERCIAL LIST</p> <p>PROCEEDING COMMENCED AT TORONTO</p> <p>APPROVAL AND VESTING ORDER (Re 633 Main Street West, Port Colborne, Ontario)</p> <p>PALIARE ROLAND ROSENBERG ROTHSTEIN LLP 155 Wellington Street West 35th Floor Toronto, ON M5V 3H1 Tel: 416.646.4300 Fax: 416.646.4301</p> <p>Jeffrey Larry (LSUC# 44608D) Tel: 416.646.4330 jeff.larry@paliareroland.com</p> <p>Elizabeth Rathbone (LSO# 70331U) Tel: 416.646.7488 elizabeth.rathbone@paliareroland.com</p> <p>Lawyers for the Receiver</p>
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APPENDIX G

Court File No: CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

JUSTICE *Cniappetta*

)
)
)

MONDAY, THE 4TH DAY OF
MARCH, 2019

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC LTD., 1496765 ONTARIO INC LTD. and
SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-
B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

DISTRIBUTION ORDER

THIS MOTION, made by **RSM Canada Limited** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc., 1651033 Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc. (the "**Debtors**"), for an order authorizing the Receiver to, among other things, sell the real properties municipally known as 5462 Dundas Street West, Etobicoke, Ontario (the

"**Etobicoke Property**"), 5223 Dundas Street, Burlington, Ontario (the "**Burlington Property**"), and 633 Main Street West, Port Colborne, Ontario (the "**Port Colborne Property**") (each a "**Property**" and collectively, the "**Properties**") and to distribute certain of the proceeds therefrom, as described further in the First Report of the Receiver dated February 13, 2019 (the "**First Report**"), was heard this day at Toronto, Ontario.

ON READING the First Report and the Confidential Appendices attached thereto, and on hearing the submissions of respective counsel for the Receiver, the Applicants, the Purchaser, and such other counsel as were present, and no one else appearing, although properly served as appears from the affidavit of Michelle Jackson sworn February 13, 2019, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the First Report and the conduct and activities of the Receiver to February 11, 2019 set out therein be and are hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel for the period ended January 31, 2019 as set out in the First Report be and are hereby approved.
4. **THIS COURT ORDERS** that the Receiver's statement of receipts and disbursements as of January 31, 2019 as set out in the First Report, be and are hereby approved.
5. **THIS COURT ORDERS** that the following Confidential Appendices be sealed as follows:
 - (a) Confidential Appendix "HH" to the First Report until the closing of the sale of the Etobicoke Property;

- (b) Confidential Appendix "II" to the First Report until the closing of the sale of the Burlington Property; and
- (c) Confidential Appendix "JJ" to the First Report until the closing of the sale of the Port Colborne Property;

6. **THIS COURT ORDERS** that the Receiver is authorized and directed to pay from the proceeds of sale of the Properties or any of them, the following:

- (a) unpaid accounts relating to operating expenses;
- (b) to the Receiver, an amount equal to the unpaid accounts of the Receiver relating to the Receiver's fees; and
- (c) to Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**"), an amount equal to the unpaid accounts of Paliare Roland.

vs (d) a hold back equal to the maximum amount of a potential construction lien claim on the Burlington Property by some construction co.

7. **THIS COURT ORDERS** that following the payments contemplated in paragraph 6, the Receiver is authorized and directed to pay from the proceeds of sale of the Etobicoke Property the following:

- (a) to CRA, \$2,601.00 owed on account of 1496765 Ontario Ltd.'s source deductions deemed trust liability;
- (b) to BMO:
 - (i) the advances totaling \$99,000 under Receiver Certificates # 2, 6 and 9 plus accrued interest; and
 - (ii) an amount not exceeding the outstanding indebtedness of 1496765 Ontario Ltd. to BMO;

8. **THIS COURT ORDERS** that following the payments contemplated in paragraph 6, the Receiver is authorized and directed to pay from the proceeds of sale of the Burlington Property the following:

(a) to BMO:

(i) the advances totaling \$87,000 under Receiver Certificates # 1, 8 and 11 plus accrued interest; and

(ii) an amount not exceeding the outstanding indebtedness of 1651033 Ontario Ltd. to BMO.

9. **THIS COURT ORDERS** that following the payments contemplated in paragraph 6, the Receiver is authorized and directed to pay from the proceeds of sale of the Port Colborne Property the following:

(a) to BMO:

(i) the advances totaling \$99,000 under Receiver Certificates # 3, 7 and 10 plus accrued interest; and

(ii) an amount not exceeding the outstanding indebtedness of 1527020 Ontario Inc. to BMO.

10. **THIS COURT ORDERS** that the Receiver may hold back, in respect of each of the Debtors, amounts to cover unpaid operating expenses, potential deemed trust claims and future professional fees.

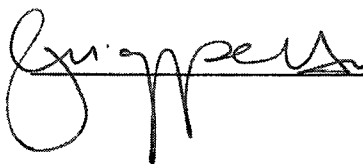
11. **THIS COURT ORDERS** the Receiver may attempt to access any data saved on the hard drives of the computers found at the Etobicoke Property, the Port Colborne Property, and the real property known municipally as 274 Bayfield Road, Goderich,

Ontario (the "**Goderich Property**") or if that cannot be done, to destroy the hard drives of such computers.

12. **THIS COURT ORDERS** the Receiver may deposit the Cash (as such term is defined in the First Report) into the receivership trust account for the benefit of 1496765 Ontario Ltd.'s creditors.

13. **THIS COURT ORDERS** the Receiver may sell or otherwise dispose of any remaining items at any of the Properties, the Goderich Property or the real property known municipally as 591 and 595 Goderich Street, Port Elgin, Ontario (the "**Port Elgin Property**") and with the Properties and the Goderich Property, the "**Real Properties**") including personal property that may belong to individuals related to the Debtors, that are not removed from those Real Properties, under the Receiver's supervision, within three business days of the date of the Approval and Vesting Order issued in respect of that Property.

14. **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.



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

MAR 05 2019

PER / PAR: *RW*

BANK OF MONTREAL

Applicant

-and-

Court File No. CV-18-00602537-00CL
2495087 ONTARIO INC. et al.

Respondents

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

DISTRIBUTION ORDER

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West

35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330

jeff.larry@paliareroland.com

Elizabeth Rathbone (LSO# 70331U)

Tel: 416.646.7488

elizabeth.rathbone@paliareroland.com

Lawyers for the Receiver

APPENDIX H

Court File Number: CW-18-60602-534-00CLSuperior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Bank of Montreal

Plaintiff(s)

AND

2495087 Ontario Inc. et al

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: Chiappetta

Counsel	Telephone No:	Facsimile No:
<u>See attached</u>		

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
- ☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- ☐ Adjourned to: _____
- ☐ Time Table approved (as follows): _____

This is a motion brought by RSM Canada Limited (RSM) in its capacity as court-appointed receiver and manager (the Receiver) of 1496765 Ontario Ltd (1496765), 1651033 Ontario Ltd (1651033), 1527020 Ontario ~~Inc.~~ Inc. (152702), 2495087 Ontario Inc (2495087), 249688 Ontario Inc (2496800) and Sunshine Propane Inc. (Sunshine) (collectively the Debtors). The motion is for orders authorizing and directing the

March 4, 2019

Date

Chiappetta

Judge's Signature

☒ Additional Pages 11

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

Receiver to enter into and carry out the terms of agreements of purchase and sale to sell the Etobicoke Property (149 675 holds legal and beneficial title to a 0.4 acre real property known as 5462 Dundas Street, Etobicoke Ontario), the Burlington Property (1651033 holds legal and beneficial title to a 1.2 acre real property municipally known as 5223 Dundas Street, Burlington Ontario), and the Port Colborne Property (1527020 holds legal and beneficial title to a 1.9 acre real property municipally known as 633 Main Street West, Port Colborne, Ontario). The motion seeks further ancillary orders

The Debtors seek to adjourn this motion for two reasons. First they wish to cross-examine the listing agent and second they wish to unseal the Confidential Appendices related to each of

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

the three properties. This matter was originally before the court on Feb 21, 2019. Justice McEwen granted an adjournment, upon what I have been advised by counsel, to be serious allegations of impropriety in the sales process. He ordered the Debtors to serve its responding materials asap and he ordered the Confidential Appendices to remain sealed. The Debtors filed their responding materials. There is no evidence of impropriety, either actual or perceived, in terms of the sales process. At best the evidence demonstrates the agent did not return a couple of calls from a prospective purchaser of the Burlington and Etobicoke properties, Mr. Bhargava of SMV Financial Services and that SMV Financial Service's substantive efforts were made only after the property was sold, pending Court approval and normal closing procedures.

Page 3 of 12

Judges Initials

jk

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Superior Court of Justice
Commercial List

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Judges Endorsment Continued

This is to be contrasted with the significant and detailed evidence of the marketing efforts by an experienced commercial real estate agency. I see no reason therefore why further costs should be incurred and further delay should be endured by an adjournment to cross-examine the listing agent. There is simply no evidence of impropriety.

The Receiver has filed under seal certain confidential appendices to the First Report which contain among other things, the appraisals on the Etobicoke, Burlington and Port Carbourne Properties, summaries of the offers received for each property and the agreements of purchase and sale between the Receiver and the purchaser for each of the three properties. The Debtors want an adjournment to review the

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Superior Court of Justice
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Judges Endorsement Continued

Confidential Appendices. I do not agree that this is a reason to adjourn a hearing on the merits. Nor do I agree that the Confidential Appendices should be unsealed pending the closing of the sale of the respective properties. I am satisfied that the test in *Sierra Club of Canada v Canada (Minister of Finance)* 2002 CarswellNat 822 (S.C.C.) at para 45 has been met. The Court requires the information and documentation to fulfill its supervising role. If the details of the transactions are made to the general public, however, the Receiver's ability to maximize returns in the event the contemplated transactions do not close may be prejudiced (*Wells Fargo Financial Corporation of Canada v. Algonquin Group Inc*; Court File No. 09-8289-COCL, December 11, 2009). The same is true should the details be made

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Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

available to the Debtors. Counsel for the Debtors, in his submissions to the Court and put forward in affidavit evidence, advances the interests of Mr. Bhardwaj as a prospective purchase. Mr. Bhardwaj was in court today. In my view, should the Debtors be privy to the information of the Confidential Appendices there is a real risk that a potential purchaser may be privy as well. To this extent, the prejudice to the Receiver in maximizing returns in the event that the contemplated transaction does not close can not practically be extinguished; should the Debtors be granted ~~and~~ disclosure of the Confidential Appendices. The adjournment is therefore not granted.

In considering the merits of the motion, I find the evidence establishes the following:

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S

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

1. Each of the Properties was publicly listed for sale.
2. Each of the Properties was exposed to the market for a sufficient period of time in the sales process conducted by the Receiver and an experienced commercial real estate agency.
3. Each of the Properties ~~was~~ was heavily marketed.
4. The sale process led to multiple offers for each of the Properties and culminated with three agreements of purchase and sale with third party arm's length purchasers.
5. The selling price for each of the Properties is reasonable given the values set out in the applicable appraisals.
6. All of the agreements of purchase and sale have the support of Bank of Montreal which holds ^{the} primary or only, as the

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FILE/DIRECTION/ORDER

Judges Endorsment Continued

case may be, registered interest on title to the applicable property.

7. The offers for the Properties are all firm, as the Purchasers have waived conditions.

8. The Receiver has received a deposit of 10% ^{of} ~~the~~ the respective purchase prices from each of the purchasers.

9. The Properties are being sold on a "as is, where is" basis.

10. The terms of the agreements of purchase and sale are reasonable in light of the value set out in the appraisals for the respective Property and/or other information received by the Receiver.

11. The marketing process was reasonable and appropriate for the type of property in question and provided sufficient market exposure to the Properties.

12. In accordance with legal opinion, the mortgages over the three properties

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Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

granted in favour of BMO are each valid and enforceable first ranking security interests against title to those Properties.

13. As of July 27, 2018, the Debtors were indebted to BMO in the amount of \$ 9,992,297.84.

14. The Distribution proposed, with a hold back on the Burlington Property more particularly described below, is reasonable.

The Debtors take no issue and are unopposed to the sale of the Port Carboneau Property.

The Debtors oppose the sale of the Etobicoke property arguing that there is a second mortgage on it. The second mortgagee was served with this motion and has neither responded nor attended. I see no reason, considering my reasons above, not to approve

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Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

the sale of the Etobicoke Property.

Ms. Tbe attends today on behalf of her client SDM Construction Inc to oppose the sale of the Burlington Property. She advises, without evidence before the court from her client or Mr. Bhardwaj, that her client has a construction lien on the Burlington Property of over 2M and Mr. Bhardwaj is willing to purchase the Burlington Property for 2.7 M plus assume the 2M+construction lien. As a result, it is submitted, Mr. Bhardwaj's offer is superior and the court should not approve the sale of the Burlington Property in accordance with the Agreement before the court. I disagree. As noted above, the properties were heavily marketed. There is no evidence as to why Mr. Bhardwaj did not put this offer forward during the bidding process or prior to the bid deadline but puts it forward today

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Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

in open court, without evidence or a properly formatted offer, 2.5 weeks after the bid deadline. Second, the offer, even accepted as valid and true, is entirely impractical. The evidence demonstrates the value of the Burlington Property in the range of 2.7 M, as offered by Mr. Bhardwaj recently. Counsel asks the court to accept that Mr. Bhardwaj is willing today to personally assume the entire value of the construction lien, effectively doubling the value of his offer to purchase. The offer is without detail, without clarity and most importantly without practicality as it falls millions of dollars outside the appraiser's information received by the Receiver and other offers on the Property.

BMO's mortgage was placed on the property in April 2014. The construction lien was registered on the Property

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Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

years later in August 2018, for WMC that commenced a couple of years later. It would appear that SDM Construction Inc does not have a priority claim. Nevertheless BMO and the Receiver have agreed to a hold back equal to the maximum amount of the construction lien claim on the Burlington Property ^{if accepted} and an Order shall go in accordance with that agreement. I see no other reason not to approve the sale of the Burlington Property as requested.

Orders to go therefore in accordance with the 4 draft orders signed by me today

APPENDIX I

Court File No: CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 21 ST DAY OF
)	
JUSTICE HAINEY	)	MARCH, 2019

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC LTD., 1496765 ONTARIO INC LTD. and
SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-
B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

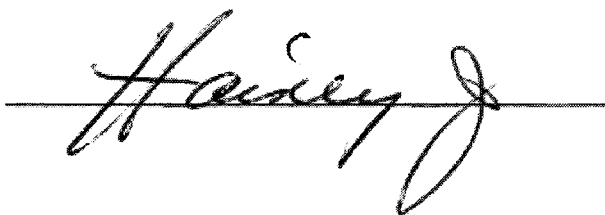
ORDER

THIS MOTION, made by **RSM Canada Limited** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc., 1651033 Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc. (the "**Debtors**"), seeking to amend an Order of Chiappetta J. issued on March 4, 2019 authorizing the Receiver to, among other things, sell the real property municipally

known as 5223 Dundas Street, Burlington, Ontario as described further in the First Report of the Receiver dated February 13, 2019 (the "**First Report**"), was heard this day at Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel appearing on behalf of the Receiver:

1. **THIS COURT ORDERS** that the Approval and Vesting Order of Chiappetta J. dated March 4, 2019, attached hereto as Schedule "A", is hereby amended in accordance with the Amended Approval and Vesting Order, attached hereto as Schedule "B".

A handwritten signature in cursive script, appearing to read "Hainey J.", is written over a horizontal line.

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

MAR 21 2019

PER / PAR: *RW*

Schedule "A"

Court File No. CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 4TH DAY
JUSTICE <i>Chiappe-Fitz</i>	)	OF MARCH, 2019

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. ~~LTD.~~, 1496765 ONTARIO INC. ~~LTD.~~ and
SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

APPROVAL AND VESTING ORDER
(Re 5223 Dundas Street, Burlington, Ontario)

THIS MOTION, made by **RSM Canada Limited** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1651033 Ontario Ltd. ("**1651033**"), including all proceeds thereof (collectively, the "**Property**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Harsha Nimrani in trust for a corporation to be incorporated, which corporation was subsequently incorporated as 2680944 Ontario Inc. (the "**Purchaser**") dated January 25, 2019 and accepted on January 30, 2019 and appended to the Report of the Receiver dated February 13, 2019 (the "**Report**"), and vesting in the Purchaser 1651033's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of respective counsel for the Receiver, the Applicants, the Purchaser, and such other counsel as were present, and no one else appearing, although properly served as appears from the affidavit of Michelle Jackson sworn February 13, 2019, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of 1651033 and its stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Receiver's and all of 1651033's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated August 29, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Halton (#20) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby

directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

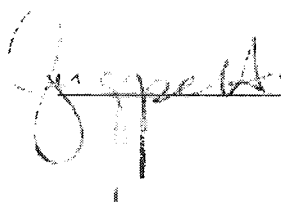
5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of 1651033 and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of 1651033;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 1651033 and shall not be void or voidable by creditors of 1651033, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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.



ENREGISTRÉ AU REGISTRE DE LA TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO

MAR 05 2019

PER / PAR: RW

Schedule A – Form of Receiver's Certificate

Court File No. CV-18-00602537-00CL

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

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "**Court**") dated August 29, 2018, RSM Canada Limited was appointed as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1651033 Ontario Ltd. ("**1651033**"), including all proceeds thereof (collectively, the "**Property**").

B. Pursuant to an Order of the Court dated February 21, 2019 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale made as of January 25, 2019 (the "**Sale Agreement**") between the Receiver and Harsha Nimrani in trust for a corporation to be incorporated, which corporation was subsequently incorporated as 2680944 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver's and 1651033's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement or the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [TIME] on ► [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver and Manager of 1651033
Ontario Ltd. and not in its personal or corporate
capacity and without personal or corporate liability**

Per: _____

Name: ►

Title: ►

Schedule B – Purchased Assets

All of the Receiver's (if any) and 1651033's right, title and interest in and to the Property and the Building (as defined in the Sale Agreement) including, without limitation, the following real property:

MUNICIPAL ADDRESS: 5223 Dundas Street, Burlington, ON

LEGAL DESCRIPTION: PT LT 3, CON 1 NEL NDS, PTS 1 & 2, 20R18227 SAVE &
EXCEPT PT 1 20R19559; SUBJECT TO AN EASEMENT IN
GROSS OVER PART 1 PLAN 20R18227 AS IN HR756568;
CITY OF BURLINGTON

PIN: 07201-0178 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

The following Instruments are to be discharged upon registration of the Vesting Order:

1. Instrument No. HR1172775 registered on April 2, 2014, being a Charge in favour of Bank of Montreal in the principal amount of \$3,180,000.00.
2. Instrument No. HR1172775 registered on April 2, 2014, being a Notice of Assignment of Rents (General) in favour of Bank of Montreal.
3. Instrument No. HR1196588 registered on July 15, 2014, being a Charge in favour of Bank of Montreal in the principal amount of \$1,000,000.00.
4. Instrument No. HR1568135 registered on August 31, 2018 is a Construction Lien in favour of SDM Construction Inc.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Property (as defined in the Sales Agreement) means:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property;

- 10 -

10. The following instruments registered on title to the Property:
- i. Instrument No. HR746940 registered 2009/04/24 is a NOTICE with THE CORPORATION OF THE CITY OF BURLINGTON.
 - ii. Instrument No. HR756566 registered 2009/06/03 is a NOTICE with THE REGIONAL MUNICIPALITY OF HALTON.
 - iii. Instrument No. HR756568 registered 2009/06/03 is a TRANSFER EASEMENT in favour of THE REGIONAL MUNICIPALITY OF HALTON.

Schedule "B"

Court File No. CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 21 ST DAY
)	
JUSTICE HAINEY	)	OF MARCH, 2019

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO ~~INC~~ LTD., 1496765 ONTARIO ~~INC~~ LTD. and
SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

AMENDED APPROVAL AND VESTING ORDER
(Re 5223 Dundas Street, Burlington, Ontario)

THIS MOTION, made by **RSM Canada Limited** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1651033 Ontario Ltd. ("**1651033**"), including all proceeds thereof (collectively, the "**Property**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Harsha Nimrani in trust for a corporation to be incorporated, which corporation was subsequently incorporated as 2680944 Ontario Inc. (the "**Purchaser**") dated January 25, 2019 and accepted on January 30, 2019 and appended to the Report of the Receiver dated February 13, 2019 (the "**Report**"), and vesting in the Purchaser 1651033's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of respective counsel for the Receiver, the Applicants, the Purchaser, and such other counsel as were present, and no one else appearing, although properly served as appears from the affidavit of Michelle Jackson sworn February 13, 2019, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of 1651033 and its stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Receiver's and all of 1651033's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated August 29, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Halton (#20) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby

directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

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

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of 1651033 and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of 1651033;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 1651033 and shall not be void or voidable by creditors of 1651033, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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.

Schedule A – Form of Receiver's Certificate

Court File No. CV-18-00602537-00CL

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

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

RECEIVER'S CERTIFICATE**RECITALS**

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "**Court**") dated August 29, 2018, RSM Canada Limited was appointed as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1651033 Ontario Ltd. ("**1651033**"), including all proceeds thereof (collectively, the "**Property**").

B. Pursuant to an Order of the Court dated March 21, 2019 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale made as of January 25, 2019 (the "**Sale Agreement**") between the Receiver and Harsha Nimrani in trust for a corporation to be incorporated, which corporation was subsequently incorporated as 2680944 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver's and 1651033's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement or the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [TIME] on ► [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver and Manager of 1651033
Ontario Ltd. and not in its personal or corporate
capacity and without personal or corporate liability**

Per: _____

Name: ►

Title: ►

Schedule B – Purchased Assets

All of the Receiver's (if any) and 1651033's right, title and interest in and to the Property and the Building (as defined in the Sale Agreement) including, without limitation, the following real property:

MUNICIPAL ADDRESS: 5223 Dundas Street, Burlington, ON

LEGAL DESCRIPTION: PT LT 3, CON 1 NEL NDS, PTS 1 & 2, 20R18227 SAVE &
EXCEPT PT 1 20R19559; SUBJECT TO AN EASEMENT IN
GROSS OVER PART 1 PLAN 20R18227 AS IN HR756568;
CITY OF BURLINGTON

PIN: 07201-0178 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

The following Instruments are to be discharged upon registration of the Vesting Order:

1. Instrument No. HR1172775 registered on April 2, 2014, being a Charge in favour of Bank of Montreal in the principal amount of \$3,180,000.00.
2. Instrument No. HR1172776 registered on April 2, 2014, being a Notice of Assignment of Rents (General) in favour of Bank of Montreal.
3. Instrument No. HR1196588 registered on July 15, 2014, being a Charge in favour of Bank of Montreal in the principal amount of \$1,000,000.00.
4. Instrument No. HR1568135 registered on August 31, 2018 is a Construction Lien in favour of SDM Construction Inc.
5. Instrument No. HR1589610 registered on November 30, 2018 is a Certificate by SDM Construction Inc. against 1651033 Ontario Ltd.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Property (as defined in the Sales Agreement) means:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property;

10. The following instruments registered on title to the Property:
- i. Instrument No. HR746940 registered 2009/04/24 is a NOTICE with THE CORPORATION OF THE CITY OF BURLINGTON.
 - ii. Instrument No. HR756566 registered 2009/06/03 is a NOTICE with THE REGIONAL MUNICIPALITY OF HALTON.
 - iii. Instrument No. HR756568 registered 2009/06/03 is a TRANSFER EASEMENT in favour of THE REGIONAL MUNICIPALITY OF HALTON.
 - iv. Instrument No. HR117413 registered 2014/04/28 is a NOTICE with the CORPORATION OF THE CITY OF BURLINGTON.

BANK OF MONTREAL

-and-

Applicant

Respondents

	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST PROCEEDING COMMENCED AT TORONTO
	ORDER
	PALIARE ROLAND ROSENBERG ROTHSTEIN LLP 155 Wellington Street West 35th Floor Toronto, ON M5V 3H1 Tel: 416.646.4300 Fax: 416.646.4301 Jeffrey Larry (LSO# 44608D) Tel: 416.646.4330 jeff.larry@paliareroland.com Elizabeth Rathbone (LSO# 70331U) Tel: 416.646.7488 elizabeth.rathbone@paliareroland.com Lawyers for the Receiver

APPENDIX J

Court File No. CV-18-00602537-00CL

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

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO ~~INC~~ LTD., 1496765 ONTARIO ~~INC~~ LTD. and
SUNSHINE PROPANE INC.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "**Court**") dated August 29, 2018, RSM Canada Limited was appointed as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 1496765 Ontario Ltd. ("**1496765**"), including all proceeds thereof (collectively, the "**Property**").

B. Pursuant to an Order of the Court dated March 4, 2019 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale made as of January 30, 2019 (the "**Sale Agreement**") between the Receiver and 2677323 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver's and 1496765's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement or the Vesting Order.

THE RECEIVER CERTIFIES the following:

- 2 -

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at 4:30 PM [TIME] on March 10th, 2019 [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver and Manager of
1496765 Ontario Ltd. and not in its personal
or corporate capacity and without personal or
corporate liability**

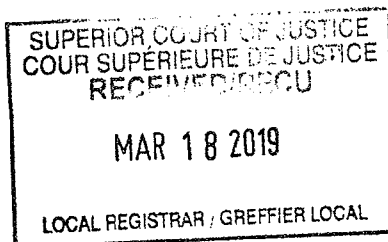
Per: 

Name: Daniel Weisz

Title: Senior Vice President

I have the authority to bind the corporation

41362.0002/12239553_3



BANK OF MONTREAL
Applicant

-and- 1496765 ONTARIO LTD. et al.
Respondents

Court File No. CV-18-00602537-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

RECEIVER'S CERTIFICATE

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Applicant, Bank of Montreal

RCP-E 4C (May 1, 2016)

APPENDIX K

[Court File No. CV-18-00602537-00CL

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

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hailey of the Ontario Superior Court of Justice (the “**Court**”) dated August 29, 2018, RSM Canada Limited was appointed as the receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of 1651033 Ontario Ltd. (“**1651033**”), including all proceeds thereof (collectively, the “**Property**”).

B. Pursuant to an Order of the Court dated March 4, 2019 (the “**Vesting Order**”), the Court approved the agreement of purchase and sale dated January 25, 2019 and accepted on January 30, 2019 (the “**Sale Agreement**”) between the Receiver and Harsha Nimrani in trust for a corporation to be incorporated (the “**Original Purchaser**”) as assigned by the Original Purchaser to 2680944 Ontario Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Receiver’s and 1651033’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement or the Vesting Order.

- 2 -

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at 1:50pm [TIME] on March 22nd, 2019 [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver and Manager of
1651033 Ontario Ltd., and not in its personal
or corporate capacity and without personal or
corporate liability**

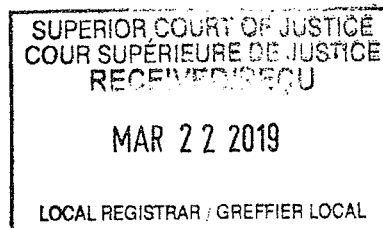
Per: 

Name: Daniel Weisz

Title: Senior Vice President

I have the authority to bind the corporation

41362.0003/12246119_4



BANK OF MONTREAL
Applicant

-and-
Respondents

1496765 ONTARIO LTD. et al.

Court File No. CV-18-00602537-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

RECEIVER'S CERTIFICATE

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Applicant, Bank of Montreal

RCP-E 4C (May 1, 2016)

APPENDIX L

CONFIDENTIAL APPENDIX L
(filed under seal)

APPENDIX M

INFORMATION IN THE POSSESSION OF THE RECEIVER*(We have no assurance as to the accuracy or completeness of the records.)*

Insurance documents	<p>2015 ERB insurance documents</p> <p>Sunshine Propane Inc. o/b 1401151 Ontario Ltd.</p> <p>Insurance letter for Sunshine Propane Inc. o/a Sparkle Kleen Car Wash Sparkle Kleen Carwash & Propane Ltd & 1527020 Ontario Inc.</p> <p>2016 Aviva insurance documents</p> <ul style="list-style-type: none"> policy # 81444942 for Sparkle Kleen Carwash and Propane Ltd. policy # 81455892 and # 70029101 for Sunshine Propane, 1496765 and Sam Propane policy # 81456836 for 1651033 <p>2017/2018 Gore Mutual insurance documents</p> <ul style="list-style-type: none"> policy # 9027533 for 1496765 Ont Ltd. o/a Sam Propane, location 5462 Dundas St. W., Etobicoke policy # CG01554 (auto) for 1496765 Ont Ltd. o/a Sam Propane policy # CG01685 (auto) for 2496800 Ontario Inc. o/a Goderich Ultramar policy # 9027532 for 1651033 Ontario Ltd. o/a Sparkle Kleen, location 5223 Dundas St. E., Burlington policy # 9027536 for 1527020 Ontario Inc. and Sparkle Kleen Carwash & Propane, location 633 Main Street W., Port Colborne
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RECEIVERSHIP COMPANIES

Name	Financial statements	Sales	A/P	Miscellaneous other including:
1496765 Ontario Ltd.	<p>y/e Dec. 31, 2012 binder</p> <p>y/e Dec. 31, 2013 (signed)</p> <p>y/e Dec. 31, 2014</p> <p>y/e Dec. 31, 2016</p>	<p>2014 to 2018 Power Clean invoices</p> <p>2018 handwritten daily cash summaries</p> <p>Commercial lease with Sunshine Propane (Jan 2015)</p>	<p>2012 to 2018 accountings records</p> <p>BMO account cheque stubs 2017 to 2019</p>	<p>June 14, 2018 documents re Third Mortgage from 10831824 Canada Inc.</p> <p>Mortgage Commitment May 30 2018 re second mortgage from Bhupinder Khosa</p> <p>One 2017 and one 2018 ROE</p> <p>2017 and 2018 CRA correspondence re outstanding RC and RP</p> <p>2017 T4 for Abdul Wadood</p> <p>2016 T4s</p> <p>Part (missing first few pages) of an unsigned lease between 1496765 (landlord) and 1944563 (tenant) dated 2016/2017</p> <p>January 2015 Minden Gross correspondence re Notice of Sale under Mortgage (re RBC as mortgagor)</p>

Name	Financial statements	Sales	A/P	Miscellaneous other including:
				SMV Financial Service mortgage documents (2011-2012) and Notice of Sale under Mortgage (2013) BMO mortgage documents Drawings/surveys RBC correspondence and documents (2007-2014) 2007 documents re City of Toronto investigation of water bypass Other CRA correspondence
1527020 Ontario Inc.	y/e July 31, 2011 binder y/e July 31, 2012 binder y/e 2011, 2012, 2013, 2015, 2016 and 2017		2007 to 2015 miscellaneous accounting records, e.g. invoices, bank statements RBC cheque stubs for 2010 to 2015	January 2015 Minden Gross correspondence re Notice of Sale under Mortgage (re RBC as mortgagor) 2015 Stry appraisal report CRA Comfort letter dated March 17, 2011 re status of RC, RT and RP accounts 2008 Phase I ESA 2002 Environmental report Drawings/survey
1651033 Ontario Ltd.	y/e Dec. 31, 2009 y/e Dec. 31, 2010 binder y/e Dec. 31, 2011 y/e Dec. 31, 2013 y/e Dec. 31, 2014 – draft	BMO Bank deposit book for 2017	2011 to 2014 accounting records (bank statements, invoices, etc.) 2015 accounting records BMO account cheque stubs for 2014 TD account cheque stubs for 2010 CIBC account cheque stubs for 2011 to 2014	Econolease term sheet dated March 2018 signed by 1651033 Ontario Ltd. o/a Shark Car Wash Burlington and 1496765 Ontario Ltd. o/a Sparkle Kleen SDM Contract dated March 30, 2017 2014 mortgage documents Noise Impact Review 2014 Business Expansion Plan Oct 2011 2010 property tax appeal 2009 property purchase documents Surveys for the site dated 2009 and 2013
2495087 Ontario Inc.	Interim YE Dec 31, 2017 FS prepared by A.Q. Hotay Interim FS Sep 30, 2017 prepared by A.Q. Hotay	2016-2017 safedrop receipts	2017 Vehicle Loading reports (for gasoline) Miscellaneous 2017-2018 invoices	Lease dated July 27, 2018 between 2495087 and Shawarma King for 595 Port Elgin commencing August 1, 2018

Name	Financial statements	Sales	A/P	Miscellaneous other including:
	<p>Forecasted Statements Dec 31, 2017 to 2020 prepared by Bizlogix</p> <p>Forecasted Statements Apr 31, 2017 to 2020</p>			<p>Share purchase agreement between Mian Afzalaqif/Rauf Khan and 2495087 dated July 23, 2018</p> <p>Correspondence dated July 2018 from First Source re mortgage</p> <p>APS dated March 29, 2018 re 591-595 Goderich sale by Rauf Khan to Mian Afzal Aqif.</p> <p>Trust ledger statement for purchase of property in April 2017</p> <p>Assignment and assumption of leases between 2472840 and 2495087 dated March 2017</p> <p>CST Motor Fuels Consignment agreement dated December 2016</p>
2496800 Ontario	<p>None</p> <p>Projected f/s for 2017 to 2020</p>	<p>Sales Summary Report for Dec. 4, 2017 (cash register printout)</p> <p>Sales Summary Report for 5 dates in 2017</p>	<p>Miscellaneous 2017-2018 invoices</p> <p>Lumsden Brothers invoices 2017</p> <p>Ultramar sales receipt for 2018-08-29 issued for HST # 101745552</p>	<p>Correspondence dated July 2018 from First Source re mortgage</p> <p>APS dated March 3, 2018 re 274 Bayfield Road re sale to Mian Afzal Aqif.</p> <p>APS dated February 2, 2018 re 274 Bayfield Road re sale to 1448843 Ontario Inc.</p> <p>Share Purchase Agreement dated May 17, 2017 between Aisha Ashaad/Mian Wadood (Vendor) and Nitesh Gandhi (purchaser) and 2496800.</p> <p>APS dated May 11, 2017 re 274 Bayfield Road re sale to Nitesh Gandhi.</p> <p>Certificate of incumbency, corporate authority and officers, directors and shareholders to BMO (May 2017)</p> <p>3 BMO bank statements – 2016, 2017</p> <p>Trust ledger statement for purchase of property in November 2016</p> <p>CST Motor Fuels Consignment agreement dated April 2016</p>
Sunshine Propane	y/e December 31, 2012 binder	2016 invoice to West Power Wash	2011 to 2016 accounting records	<p>CRA notices re RC and RT accounts dated 2018</p> <p>2016 ROEs</p>

Name	Financial statements	Sales	A/P	Miscellaneous other including:
	2011 P&L and balance sheet 2010, 2013 and 2014 f/s			Collection correspondence 2016 re Thinking Capital loan; Thinking Capital loan documents 2016 NOI issued by Meridian OneCap (formerly Roynat) Advantex Merchant Services agreement dated May 2016 for Sunshine Propane Inc. cob as Sparkle Kleen Car Wash Aviva insurance documents re 2016 loss claim denied due to fraud Payroll records 2011-2012, 2015 2013 City of Toronto License for Sunshine Propane Inc. o/a Sunshine Propane Inc.PD7A Reports for 2012 2011 TSSA license to 1816857 Ontario Inc. o/a Sunshine Propane BFS Capital secured promissory note Roynat Lease Finance loan documents unsigned and undated Ministry of Finance correspondence RBC documents Share ownership certificate

OTHER COMPANIES

Name	Financial statements	Sales	A/P	Other
1373381 Ontario Inc.			2009, 2010 hydro bills for 5462 Dundas	
1401151 Ontario Ltd.				2014 bank statements Correspondence from Minden Gross (unopened) 2012 bank statement 2010 RBC correspondence re credit facility Insurance documents to North Queen Propane o/b 1401151 Ontario Ltd. and to 1401151 Ontario Ltd. o/a North Queen Propane Ltd.
1944563 Ontario Inc. o/a Sparkle Kleen Car Wash and o/a Dundas & Kipling Car Wash		Moneris Merchant Summary Report for December 2016 to March 2017		Motion record dated January 15, 2018 re Advantex Dining Corporation vs 1944563 Ontario Inc. (place of business at 5462 Dundas St. West) Rapid Advance receivables sale agreement dated 2017 filled out by 1944563 dba Dundas Propane & Carwash and Rapid Advance loan to 1944563 at 5462 Dundas St. Moneris accounts for 1944563 o/a Dundas & Kipling Car Wash and Dundas Propane & Car Wash CanaCap Merchant Agreement CRA correspondence (#799471123) Syndicate Lenders Application filled out by 1944563 dba Dundas Propane & Carwash dated Sep 2017 CanaCap merchant agreement documents with "cut-out" signature for Adeel Babar dated Sept. 2017 SMV Financial Services mortgage documents dated
2195736 Ontario Corp.				HST returns (blank)

Name	Financial statements	Sales	A/P	Other
989129 Ontario Inc.				2013 Notice of Sale under Mortgage re 989129 Ontario Inc. (mortgagor) and SMV Financial Service Inc. (mortgagee) Mortgage documents re 2451 Dufferin St.
Dundas & Kipling Carwash and Propane Ltd.				Articles of Incorporation, incorporated Sep 12, 1017
Kipling-Dundas Propane Co. Ltd.			CIBC cheque stubs for 2002 to 2018	
North Queen Propane	Consolidated FS for year ended Dec. 31, 2002 for North Queen Propane Ltd (1496765 Ontario Ltd.)		2002 to 2014 accounting records	CRA correspondence to 1401151 Ontario Ltd – North Queen Propane #86778 6170
Sam Propane Inc.			RBC account cheque stubs 2016 to 2018	Propane Retailer Return for April 2018, June 2018 and Sep. 2017 Letter to TSSA re owner and director Minister of Finance correspondence Moneris account form 2016
Self Serve Car Wash Ctr.			Union Gas bills for 5223 Dundas St.	
Sparkle Kleen Car Wash		Merchant billing statements 2014-15 2013 merchant statements	2011, 2012 and 2014 accounting records 2015 invoices 2018 Bell invoices	Letter dated March 2017 re employee of Sparkle Kleen Car Wash 2017 City of Port Colborne Garage License Application for Sparkle Kleen Car Wash at 633 Main Street West Correspondence from Minden Gross (unopened)
Sparkle-Kleen-Carwash & Propane Ltd.				CRA correspondence Jan 2018 re account # 82941 1479 RC CRA RT0001 pending cancellation notice dated Oct. 2017 2016 letter from Pallett Valo re Meridian OneCap Credit Corp v Sunshine Propane re car wash equipment to be repossessed

Name	Financial statements	Sales	A/P	Other
				2015 `Minden Gross correspondence re RBC loan
Aisha Ashad				Correspondence from Minden Gross (unopened)
Azeem Mohammad	Mohammed Azeem's 2010 consolidated financials for 1401151, 1496765, 1527020, 1651033, Sunshine Propane and Sparkle Kleen Carwash & Propane (prepared by Hotay Financial Services)			Correspondence from Minden Gross (unopened) Other miscellaneous accounting records
Quddus Abdul	Personal tax records			
Rauf Khan			Other miscellaneous accounting records	
Other individuals				Miscellaneous documents including of a personal or confidential nature

Sales Receipts found at 5462 Dundas St. West, Etobicoke

<u>Company</u>	<u>Location</u>	<u>Month</u>	<u>Type</u>	<u>Year</u>	<u>HST Number</u>
Dundas Propane & Car Wash	5462 Dundas St W, Etobicoke	August	Sales	2017	
		January	Sales		
		February	Sales		
		March	Sales		
		April	Sales		
		May	Sales		
		June	Sales		
		July	Sales		
		August	Sales		
		September	Sales		
		December	Sales		
				2016	
Dundas & Kipling Car Wash	5462 Dundas St W, Etobicoke	September	Sales	2017	
		October	Sales		
		November	Sales		
		December	Sales		
		January	Sales	2018	
		February	Sales		
		March	Sales		
		April	Sales		
		May	Sales		
		June	Sales		
		July	Sales		
		August	Sales		
Ultramar	274 Bayfield Road	November	Sales	2017	101745552
		November	Sales & Inventory Summary Reports		101745552
		November	Price & Volume Reports		
		November	Meter Discrepancy Reports		
		August	Close Report		
		August	Meter Discrepancy Reports		
		September	Price & Volume Reports		
		September	Shift Report		
			Close Reports		
		September	Sales		
		September	Meter Discrepancy Reports		
		September	Sales & Inventory Summary Reports		
		December	Price & Volume Reports		
		December	Meter Discrepancy Reports		
		December	Sales Summary Reports		
		January	Sales & Inventory Summary Reports		
		February	Sales & Inventory Summary Reports		
		February	Sales		101745552
		February	Meter Discrepancy Reports		
		February	Price & Volume Reports		
		March	Close Report		
		March	Price & Volume Reports		
		March	Sales & Inventory Summary Reports		

Sales Receipts found at 5462 Dundas St. West, Etobicoke

<u>Company</u>	<u>Location</u>	<u>Month</u>	<u>Type</u>	<u>Year</u>	<u>HST Number</u>
		March	Sales	2018	101745552
		March	Meter Discrepancy Reports		
		April	Meter Discrepancy Reports		
		April	Price & Volume Reports		
		April	Sales		101745552
		April	Sales & Inventory Summary Reports		
		May	Sales		
		May	Price & Volume Reports		
		May	Sales & Inventory Summary Reports		
Ultramar	595 Goderich Street	January	Sales	2017	
		February	Sales		
		April	Sales		
		May	Sales		
		June	Sales		
		July	Sales		
		August	Sales		
		September	Sales		
		November	Sales		
		December	Sales		
		April	Price & Volume Reports	2017	
		December	Sales Summary Reports	2016	
		January	Sales Summary Reports	2017	
		March	Sales Summary Reports		
		April	Sales Summary Reports		
		October	Sales Summary Reports		
		March	Price & Volume Reports		
		March	Sales		
		May	Sales Summary Reports	2017	
		October	Settlement Report	2017	
		October	Close Report		
		September	Shift Report		
		September	Bank Rec Report		
		November	Shift Report		
		November	Close Report		
		December	Sales Summary Reports	2017	
		January	Meter Discrepancy Reports	2018	
		January	Price & Volume Reports		
		January	Close Report		
		January	Sales		
		June	Sales Summary Reports		
Not indicated	Not indicated - Etobicoke?	January	Hand written - Daily Cash Summary	2018	
		February	Hand written - Daily Cash Summary		
		March	Hand written - Daily Cash Summary		
		April	Hand written - Daily Cash Summary		
		May	Hand written - Daily Cash Summary		

Sales Receipts found at 5462 Dundas St. West, Etobicoke

<u>Company</u>	<u>Location</u>	<u>Month</u>	<u>Type</u>	<u>Year</u>	<u>HST Number</u>
		June	Hand written - Daily Cash Summary		
		July	Hand written - Daily Cash Summary		
		August	Hand written - Daily Cash Summary		
Not indicated	Not indicated	November	BMO Deposit Slips	2017	
Ultramar	595 Goderich Street	October	BMO Deposit Slips	2017	
		November	BMO Deposit Slips		
		January	BMO Deposit Slips	2018	
Ultramar	274 Bayfield Road	December	BMO Deposit Slips	2017	
		January	BMO Deposit Slips	2018	
Not indicated	Not indicated	February	BMO Deposit Slips		
		April	BMO Deposit Slips		
Ultramar	274 Bayfield Road	May	BMO Deposit Slips		
Sam's Propane	Etobicoke	January	Primemax daily fuel delivery slips	2017	
		February	Primemax daily fuel delivery slips		
		March	Primemax daily fuel delivery slips		
		April	Primemax daily fuel delivery slips		

APPENDIX N

CONFIDENTIAL APPENDIX N
(filed under seal)

APPENDIX O

THIS LEASE made the 27th day of July, 2018
In Pursuance of The Short Forms of Lease Act

BETWEEN:

2495087 Ontario Inc.
Of 595 Goderich Street, Port Elgin, Ontario
(Hereinafter called the "Landlord")

AND

Naveed Amin
Operating as "Shawarma King"
Of 595 Goderich Street, Port Elgin, Ontario, Unit 1B
(Hereinafter called the "tenant")

ARTICLE 1.00

DEMISE

- 1.1 WHEREAS the Landlord has agreed to lease to the Tenant the premises known as **Unit 1B at 595 Goderich Street, Port Elgin, Ontario** (the "Leased Premises")

ARTICLE 2.00

TERM

- 2.1 TO HAVE AND TO HOLD the Leased Premises, unless sooner terminated as hereinafter provided, for and during the term (the "Term") of **Five (5) years**, to be computed from and inclusive of the **1st day of August, 2018** (the "Commencement Date") and henceforth next ensuing and to be fully complete and ended on the **31st day of July, 2023** unless terminated earlier as provided in this Lease, and subject to any rights of renewal contained herein.
- 2.2 Provided that the Tenant is not at any time in default of any covenants within the Lease the Tenant shall be entitled to renew this Lease for a further term of Five (5) years on written notice to the Landlord given not less than Six (6) months prior to the expiration of the current term at fair market rent to be negotiated. In the event the landlord and Tenant can not agree on the fixed minimum rent at least Two (2) months prior to expiry of the current lease, the fixed minimum rent for the renewal period shall be determined by arbitration in accordance with the Arbitration Act or any successor or replacement act.

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ARTICLE 3.00

RENT

- 3.1 "Rent" means the amounts payable by the tenant to the Landlord pursuant to this Section and includes Additional Rent.
- 3.2 The Tenant covenants to pay to the Landlord, during the term of this Lease Rent as follows:
- (a) During the first two year of the Term, the sum of **Thirty Thousands Dollars (\$30,000.00)** per annum, payable in advance in equal installments of **Two Thousand Five Hundred Dollars (\$2,500.00)** on the first day of each and every month, commencing on the first day of the Term;
 - (b) During the third and fourth year of the Term, the sum of **Thirty Two Thousand Four Hundred Dollars (\$32,400.00)** per annum, payable monthly in advance in equal installments of **Two Thousand Seven Hundred Dollars (\$2,700.00)** on the first day of each and every month;
 - (c) During the Fifth year of the Term of the sum of **Thirty- Three Thousand Six Hundred Dollars (\$33,600.00)** per annum, payable monthly in advance in equal installments of **Two Thousand Eight Hundred Dollars (\$2,800.00)** on the first day of each and every month;
- 3.3 In addition to Rent, the tenant shall pay all harmonized sales taxes (HST); and further, in addition to Rent the Tenant shall pay all charges associated with the provision of Hydro, Heat, Cable Television, Internet, and Telephone Service (all Utilities).
The Tenant covenants with the Landlord to pay Rent, and agrees to pay Rent without any deduction, abatement or set-off whatsoever. At the request of the Landlord, the Tenant shall present to the Landlord at the commencement of each year throughout the Term, a series of monthly postdated checks for each such year of the Term in respect of the aggregate of the monthly payments for each such year. All amounts payable by the tenant to the Landlord under the Lease shall be deemed to be rent and shall be recoverable as Rent in the manner herein provided and the Landlord shall have rights against the Tenant for default in any such payment as in the case of arrears of rent. The Tenant's obligation to pay Rent shall survive the expiration or earlier termination of the Lease.
- 3.4 The Landlord hereby acknowledges receipt from the Tenant of the sum of **Five Thousand Six Hundred and Fifty Dollars (\$5,650.00)** representing First month and Last month Rent plus HST. The Landlord shall not be obliged to pay the Tenant any interest on the said deposit. Any portion of the said deposit may be applied towards the payment of overdue or unpaid Rent and may also be applied as compensation to the Landlord for any loss or damage sustained by the Landlord as a result of the breach or

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non-observance by the Tenant of any terms, covenants and conditions of this Lease, provided that in all cases the Landlord's other rights and remedies both in law and under the Lease are reserved and the Tenant liability hereunder is not limited to the amount of the said deposit. If the Landlord sells the Landlords interest in the building or the Lands and transfers the said deposit to the purchaser, then the Landlord shall be discharged from all liability to the Tenant with respect to the said last month Rent deposit.

ARTICLE 4.00 USE OF LEASED PREMISES

- 4.1 The Tenant shall continuously, actively and diligently use and occupy the Lease Premises only for a **Licensed Café fast food, with a kitchen** and for no other purpose. **The Tenant will sell shawarma, sandwiches, and salads and a Juice Bar.** Provided the Tenant, in use and occupation of the Leased Premises and in the process or conduct of the foregoing business therein, shall comply with the requirements of all laws, ordinances, rules and regulation of the federal, provincial and municipal authorities and with any direction or certificate of occupancy issued pursuant to any laws by any public officer or officers. The Tenant shall comply with all the rules and regulations as set for by the Condominium Corporation. The Tenant shall not use or permit to be used any part of the Leased Premises for any dangerous noxious, illegal or offensive trade or business and will not cause or maintain any nuisance in, at or on the Leased Premises. Specifically, and without limiting the generality of the foregoing, the Tenant agrees not to permit any manufacturing activity to take place on the Lease Premises. The Tenant shall not vacate or abandon the Lease Premises at any time during the Term without the Landlord prior written consent.

ARTICLE 5.00 PAYMENT

- 5.1 All payments required to be made by the Tenant under or in respect of this Lease shall be made to the Landlord or in such agent or agents of the Landlord or at such other places of addresses as the Landlord shall hereafter from time to time direct in writing to the Tenant.

ARTICLE 6.00 RENT PAST DUE

- 6.1 If the Tenant fails to pay, when the same is due and payable, any Rest or other amount payable under this Lease payable by the Tenant under this Lease, such unpaid amount shall bear interest from the due date thereof to the date of payment at the lesser or the rate

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of Eighteen Percent (18%) per annum (one and one-half percent (1.5%) per month) compounded annually, or the maximum annual rate permitted by law.

ARTICLE 7.00
TENANTS COVENANTS

The Tenant covenants with the Landlord as follows:

7.1 Payment of Rent

To pay Rent in the manner and the times herein reserved.

7.2 Repairs

That the Tenant shall, except to the extent that the Landlord is specifically responsible therefore under this Lease, at its sole cost and expense, maintaining the Lease Premises and all improvements therein in good order and conditions, including:

- (a) Making repairs, replacements and alterations as needed, including those necessary to comply with any governmental or quasi-governmental authority having jurisdiction. For greater certainty, it is agreed that the Tenant shall not be responsible for the maintenance of structural items or components or those specifically related to the use of other tenants, except where the failure of said structural or tenant-related items is directly caused the Tenants acts of omissions.

7.3 Entry by Landlord

That it shall be lawful for the Landlord and its agent(s) at all reasonable times during the term to enter the Leased Premises to inspect the condition thereof. Where an inspection reveals that repairs or replacements are necessary, in relation to the use of the Tenant or in relation to the Tenant's leasehold improvements, the Landlord shall give to the Tenant notice in writing, and immediately thereafter the Tenant will forthwith process to make all necessary repairs or replacements in a good and workmanlike manner and to the satisfaction the Landlord

7.4 Alterations by Tenant

That the Tenant may from time to time as its own expense make changes, additions and improvements in the Leased Premises to better adapt the same to its business, provided that any change, addition or improvements shall:

- (a) Comply with the requirements of any governmental or quasi-governmental authority having jurisdiction, and the governing Condominium Corporation.
- (b) Be made only with the prior written consent of the Landlord;

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- (c) Equal or exceed the then current standard for the Building; and
- (d) Be carried out only by persons selected but the Tenant and approved in writing by the Landlord, who shall, if required by the Landlord, deliver to the Landlord before commencement of the work, performance and payment bonds as well as proof of worker's compensation and public liability and property damage insurance coverage, with the Landlord named as an additional insured, in amounts, with companies, and in form reasonable satisfactory to the Landlord and Condominium Corporation, which shall remain in effect during the entire period in which the work will be carried out.
- (e) **The Landlord shall have the right to require, at the end of the Lease Term, the Tenant to restore any structural changes to the Premises unless agreed to in advance by the Landlord in writing.**

Any connections of apparatus to the heating, cooling, ventilation, exhaust, control, electrical distribution and life safety systems shall be deemed to be an alteration within the meaning of this Lease.

In the event any of the following work is required by the Tenant it shall be carried out at the Tenant's expense, with the prior written consent of the Landlord, and subject to the supervision of the Landlord. The Landlord reserves the right to recover from the Tenant the cost of having its architect or engineer examine plans or specifications that may be required with respect to such changes, additions or improvements.

7.5 Assignment and Subletting

That the Tenant will not assign this Lease in whole or in part, nor sublet all or any part of the Leased Premises, nor mortgage or encumber this Lease of the Leased Premises or any part thereof, nor suffer or permit the occupation of, or part with or share possession of, all or any part of Leased Premises by any other person, firm or corporation (all of the foregoing being hereinafter referred to as a ("transfer")) without the prior consent of the Landlord in each instance, which consent shall not be unreasonably withheld, subject to the provisions of this paragraph. The consent by the Landlord to any transfer, if granted shall not constitute a waiver of the necessity for such consent to any subsequent transfer. This prohibition against a transfer is constructed so as to include a prohibition against any transfer by operation of law and no transfer shall take place by reason of a failure by the Landlord to reply to a request by the Tenant for consent to a transfer. If there is a permitted transfer for this Lease, the landlord may collect rent from the assignee, sub-Tenant or occupant (all of the foregoing being hereinafter collectively referred to as the "transferee"), and apply the net amount collected to the Rent acquired to be paid pursuant to this Lease, but no acceptance by the Landlord of any payments by a transferee shall be deemed a waiver of this covenant or the acceptance of the transferee as Tenant or a release of the Tenant for the further performance by the Tenant of the covenant or obligations on the part of the Tenant herein contained. Notwithstanding that any such

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transfer is permitted or consented to by the Landlord, the Tenant shall be jointly and severally liable with the transferee upon this Lease and shall not be released from performing any of the terms, covenants and conditions contained in this Lease. The Tenant agrees to pay the reasonable costs of the Landlord in connection with any such consent.

7.6 Nuisance

That the Tenant will not do or omit to do or permit be done or omitted anything upon or in respect of the Leased Premises, the doing or omissions of which, as the case may be, shall be or result in any nuisance or menace to the Landlord or to the other Tenants of the Building, and including, without limitations, the Tenant shall not keep in, on or around the Leased Premises which shall cause any noxious substance: and that no machinery shall be used on the Leased Premises which shall be used on the Leased Premises, and if the Landlord or any other occupants of the Building shall complain that any machinery or operation thereof in or on the Leased Premises is a nuisance to it or them, as the case may be, upon receiving notice thereof, the Tenant will immediately cease such nuisance. The Tenant will not permit any discharge of any noxious substance whatsoever into the air, water or sewage system in respect of the Leased Premises.

7.7 Liens

That the Tenant shall pay before delinquency all costs for work done or caused to be done by the Tenant in the Leased Premises which could result in any lien or encumbrance on the Landlord's interest in the land or Building or any part thereof. The Tenant shall keep the title to the Land or Building and every part thereof free and clear of any lien or encumbrance in respect of such work, and shall indemnify and hold the Landlord harmless against any claim, loss, cost, demand, and legal and other expense, whether in respect of any lien or otherwise, arising out of the supply of material, services, or labor for such work.

7.8 Parking

That there is no designated parking spots available, tenant will use the general parking area as provided by the Mall administration. It is agreed that the Tenant shall comply with any municipal ordinances and requirements regarding parking.

7.9 Signs

That the Tenant shall not display or cause to be displayed any signs on the exterior of the Building except with the prior written approval of the Landlord.

ARTICLE 8.00

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INSURANCE

8.1 Tenant's Insurance

The Tenant shall, throughout the Term of the Lease, at the sole costs and expenses, take out and keep in full force and effect in the names of the Tenant, the Landlord and the Landlord's mortgagee, as their respective interests may appear, the following insurance

- (a) Insurance upon property of every description and kind owned by the Tenant or for which the Tenant is legally liable or installed by or on behalf of the Tenant and which is located within the Leased Premises including, without limitation, stock-in-trade, furniture, fittings, installations, alterations, additions, partitions, fixtures and anything in the nature of the leasehold improvement in an amount of not less than one hundred percent (100%) of the full replacement cost thereof, with coverage against, at least the perils of fire and standard extended coverage, including sprinkler leakages (where applicable) earthquake, flood and collapse, if there is a dispute as to the amount which comprises the full replacement cost, the decision of the Landlord or the Landlord's mortgagee shall be conclusive;
- (b) If applicable, broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount not less than the replacement cost of all leasehold improvements and of all boilers, pressure vessels, air-conditioning equipment and miscellaneous electrical apparatus owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Leased Premises or relating to or serving the Leased Premises;
- (c) Business interruption insurance in such amounts as will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against in subparagraphs (a) and (b) of this paragraph, and any other perils commonly insured against by a prudent Tenant or attributable to prevention of access to the Leased Premises or the building as a result of such peril; and
- (d) public liability and property damage insurance including personal injury liability, contractual liability, non-owned automobile liability and owners' and contractors' protective insurance coverage with respect to the Leased Premises, coverage to include the activities and operations conducted by the Tenant and any other parties on the Leased Premises and by the Tenant and any other parties performing work on behalf of the Tenant and those for whom the Tenant is in law responsible in any other part of the Building. Such policies shall be written on a comprehensive basis with inclusive limits of not less than Five Million Dollars (\$5,000,000) for bodily injury to any one or more persons or property damage,

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and such higher limits as the Landlord or the Landlord's mortgagee reasonably requires from time to time, and shall be invalidated as respects the interests' clause; a cross-liability clause and shall be primary and shall not call into contribution any other insurance available to the Landlord or the Landlord's mortgagee.

ARTICLE 9.00 MUTUAL COVENANTS

Provided always and it is agreed as follows

9.1 Lease Subordinate to Mortgages

This Lease and everything contained in it shall be deemed to be subordinate to all charges from time to time created by the Landlord by mortgage or charge on the lands in which the Leased Premises is located. This Tenant shall promptly at any time if required by the Landlord execute all documents and give such further assurances as may be reasonably required to postpone its rights and privileges to the holder of any charge or mortgage; provided that the mortgage or charge shall permit the Tenant to continue in the quiet possession of the Leased Premises in accordance with the conditions of this Lease as long as the Tenant is not in default under it, whether the mortgage or charge is in good standing or not.

9.2 Refuse

That the Tenant will not use any outside garbage or other containers, except as may be designated in writing by the Landlord, or allow any ashes, refuse, garbage or other loose or objectionable material to accumulate in or about the Leased Premises, and will at all times keep the Leased Premises in a clean and tidy condition and shall immediately before the termination of the Term, wash the floors, windows, doors and woodwork of the Leased Premises. Provided further the Tenant will not store or cause to be stored outside of the Leased Premises, any of its inventory, stock-in-trade, or raw materials. The Tenant shall dispose of its own garbage at its sole expense.

ARTICLE 10.00 WAIVER OF BREACH

10.1 No Waiver

The waiver by the landlord of any breach of any term, covenant or condition herein contained shall now be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition of this

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Lease, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by the Landlord unless such waiver is in writing and signed by the Landlord.

ARTICLE 11.00 NOTICES

11.1 Manner of Giving Notice

Any notice, demand, request or other instruments which may be or is required to be given under this Lease shall be delivered in person or sent by registered mail, postage prepaid, and shall be addressed (a) **if to the Landlord 595 Goderich Street, Port Elgin**, or at such other address as the Landlord designated by written notice, and (b) if to the Tenant, at the Leased Premises. Any such notice, demand, request or consent is conclusively deemed to be given or made on the date upon which such notice, demand, request or consent is delivered, or if mailed, then three (3) days following the date of mailing, as the case may be, and the time period referred to therein commences to run from the time of delivery or three (3) days following the date of mailing, as the case may be. Either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from or after the giving of such notice, the address therein specified is deemed to be the address of such party for the giving of notices hereunder. Provided, however, if the postal service is interrupted or substantially delayed for any reason whatsoever, then, any notice, demand, request or other instrument shall be delivered in person only.

ARTICLE 12.00 MISCELLANEOUS

The Landlord and Tenant agree that:

12.1 Successors and Assigns

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective permitted heirs, executors, administrators, successors and assigns of the said parties, and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements contained herein.

12.2 Entire Agreement

The Lease and the Schedules and Riders, if any, attached hereto and forming a part hereof, together with the rules and regulations promulgated by the Landlord from time to

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time set forth all the covenants, promises, agreements conditions or understandings between the Landlord and the Tenant concerning the Leased Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written between them other than as herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless in writing and signed by each of them.

12.3 Captions and Paragraph Numbers

The captions, paragraph numbers, article numbers and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construct or describe the scope or intent of such paragraphs or articles of this Lease or in any way affect the Lease.

12.4 Partial Invalidity

If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to person or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and enforced to the fullest extent permitted by law.

12.5 Registration

The Tenant shall not register this Lease on title without the prior consent of the Landlord

12.6 Governing Law

This Lease shall be constructed in accordance with, and governed by, the laws of the Province of Ontario.

12.7 Time of the Essence

Time shall be of the essence of this Lease and of every part thereof.

12.8 Rules and Regulations

The Tenant and its employees and all persons visiting or doing business with the Tenant shall be bound by the rules and regulations attached to this Lease, and all such rules and regulations shall be deemed to be incorporated in and form part of this Lease.

12.9 Possessions Requirements

The Tenant will not be given occupancy of the Premises until such time as it has provided

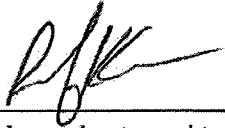
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the Landlord with the Following:

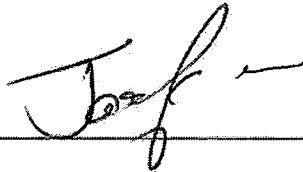
1. Executed Lease Agreements.
2. Certificate of Liability Converge of not less then \$5,000,000.00
3. Post-dated rental checks as required by the Landlord.

SIGNED, SEALED and DELIVERED
in the presence of

Rauf Khan Director (for Landlord)

Per 
I have the authority to bind the Corporation

WITNESS



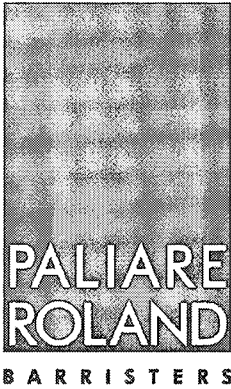
Naveed Amin (Tenant)

Per 

WITNESS



APPENDIX P



Chris G. Paliare
Ian J. Roland
Ken Rosenberg
Linda R. Rothstein
Richard P. Stephenson
Nick Coleman
Donald K. Eady
Gordon D. Capem
Lily I. Harmer
Andrew Lokan
John Monger
Odette Soriano
Andrew C. Lewis
Megan E. Shortreed
Massimo Stamino
Karen Jones
Robert A. Centa
Nini Jones
Jeffrey Larry
Kristian Borg-Olivier
Emily Lawrence
Tina H. Lie
Jean-Claude Killey
Jodi Martin
Michael Fenrick
Ren Bucholz
Jessica Latimer
Lindsay Scott
Alysha Shore
Denise Cooney
Paul J. Davis
Lauren Pearce
Elizabeth Rathbone
Daniel Rosenbluth
Glynnis Hawe
Emily Home
Hailey Bruckner
Charlotté Calon

COUNSEL
Stephen Goudge, Q.C.

COUNSEL
Ian G. Scott, Q.C., O.C.
(1934 - 2006)

Jeffrey Larry

T 416.646.4330 Asst 416.646.7404
F 416.646.4301
E jeff.larry@paliareroland.com
www.paliareroland.com

File 95326

March 29, 2019

VIA EMAIL

Daniel Weisz
Senior Vice-President
RSM Canada Limited
11 King St. W., Suite 700, Box 27,
Toronto, Ontario, Canada, M5H 4C7

Dear Mr. Weisz:

Re: 2495087 Ontario Inc. (the "Debtor")

You have asked us in your capacity as court-appointed receiver and manager of the Debtor, to review certain loan, security and related documentation relating to the Debtor's indebtedness to the Bank of Montreal ("**BMO**") and, in particular, BMO's security over the property located at 591 and 595 Goderich Street, Port Elgin, Ontario, having the legal description set out in Schedule "E" (the "**Property**").

SCOPE OF REVIEW

The scope of our review is limited to a) those security and related documents listed in Schedule "A" hereto and b) the Search Results (defined below) (collectively, the "**Documents**"). The only searches and inquiries conducted by us are those referred to in this letter, the results of which are summarized in Schedule "D" attached hereto (the "**Search Results**").

We reviewed the Documents generally to identify any aspect of the Documents or any registrations which did not appear complete and regular on their face, or which appeared to raise material issues. We have also listed in Schedule "A" attached hereto documents that were not reviewed even though they are referenced in the Documents.

This report is limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein. We express no opinion with respect to the validity of Documents to the extent such validity is governed by the laws of any other Jurisdiction.

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 WELLINGTON STREET WEST 35TH FLOOR TORONTO ONTARIO M5V 3H1 T 416.646.4300

ASSUMPTIONS AND QUALIFICATIONS

Our opinion as to the validity of the Documents is subject to the assumptions and qualifications set out in Schedules "B" and "C", respectively, attached hereto.

SEARCH RESULTS

Corporate History

Our corporate search conducted on March 22, 2019 reveals that the Debtor was incorporated on December 8, 2015 pursuant to the laws of the Province of Ontario.

Personal Property Searches

We conducted searches against the Debtor as noted in Schedule "D" under the following statutes:

1. *Bankruptcy and Insolvency Act* (Canada);
2. Section 427 of the *Bank Act* (Canada);
3. *Executions Act* (Ontario); and
4. *Personal Property Security Act* (Ontario) (the "**PPSA**").

The results of our searches are summarized in Schedule "D". The Province of Ontario does not have a system for registering title to personal property and, accordingly, we cannot confirm whether the Debtor holds title to any of the personal property referred to herein.

Real Property Searches

On March 25, 2019, we conducted a search of title to the Property. The following is a summary of the results of the search and is not a full investigation of title to the Property. Given the limited nature of a search we do not express any opinion as to title to the Property.

The parcel registers for the Property which we obtained as part of our search shows the following registrations:

PIN No. 33246-0421 (LT)

1. Lease in favour of The TDL Group Ltd., registered on November 22, 1993 as instrument No. R299540 (the "**TDL Lease**");
2. Application regarding a Lease Extension and Amending Agreement between C.E. Mactavish Limited and The TDL Group, The TDL Group Co.,

and The TDL Group Corp., registered on September 18, 2014 as instrument No. BR89646;

3. Notice of Lease in favour of CST Canada Co., registered on December 21, 2015 as instrument No. BR103386 (the “**CST Lease**” and, together with the TDL Lease, the “**Leases**”);
4. Charge/Mortgage granted by the Debtor in favour of BMO, in the original principal sum of \$2,360,000.00, registered on April 13, 2017 as instrument No. BR117857 (the “**BMO Mortgage**”);
5. Notice of Assignment of Rents General in favour of BMO registered on April 13, 2017 at instrument No. BR117858.

PIN No. 33246-0422 (LT)

1. Charge/Mortgage granted by the Debtor in favour of BMO, in the original principal sum of \$2,360,000.00, registered on April 13, 2017 as instrument No. BR117857 (e.g., the BMO Mortgage);
2. Notice of Assignment of Rents General in favour of BMO registered on April 13, 2017 at instrument No. BR117858.

An execution search was conducted against the Debtor in Ontario on March 25, 2019, which search revealed that there were no writs of execution registered against the Debtor.

CERTIFICATE OF STATUS

We obtained a certificate of status dated March 27, 2019 in respect of the Debtor issued by the Ministry of Government Services confirming the corporate existence of the Debtor as at that date.

SECURITY REVIEW

Subject to the assumptions and qualifications set out in this letter, we have the following comments on and opinions with respect to the Documents.

BMO Loan

On March 8, 2017, BMO loaned the Debtor the principal amount of \$2,360,000.00. As security for the loan, the Debtor granted to BMO the BMO Mortgage and gave BMO a general assignment of rents and a general security agreement.

We understand that all of the indebtedness, liabilities and obligations of the Debtor to BMO was guaranteed by 1527020 Ontario Inc., 1496765 Ontario Ltd., 1651033 Inc., Rauf Khan, Mehak Arshad, and Aisha Ashad (collectively, the “**Guarantors**”)

in favour of BMO (the "**Guarantees**"), however we have not reviewed the Guarantees or any associated documents in connection with this opinion. In respect of the BMO loan to the Debtor:

1. *BMO Mortgage*. The BMO Mortgage grants, by its terms, a fixed charge on the Property in favour of BMO.
2. *Assignment of Rents*. The Assignment of Rents was registered against title to the Property on April 13, 2017. The Assignment of Rents provides that the Debtor assigned to BMO all rents derived from the tenants of the Property.
3. *PPSA Registrations*. BMO is registered as a secured party against, among other things, the Debtor's inventory, equipment, and accounts.

OPINIONS WITH RESPECT TO VALIDITY AND PRIORITY OF SECURITY

In our opinion, based on the assumptions and subject to the qualifications set out herein, the BMO Mortgage is a valid first charge on the Property.

This review is provided to you in your capacity as court-appointed receiver of the Debtor pursuant to the order of the Honourable Mr. Justice Hainey dated August 29, 2018. This letter may not be relied on by any other person without our prior written consent.

Please do not hesitate to contact us if you wish to discuss any of the foregoing.

Yours very truly,
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



Jeffrey Larry
JL:ss
Encl.

SCHEDULE "A"**DOCUMENTS REVIEWED**

Documents not defined below shall have the meaning ascribed to them in the body of the security review letter.

BMO Loan and Security Documents:

1. Charge/Mortgage granted by the Debtor in favour of BMO, in the original principal sum of \$2,360,000.00, registered on April 13, 2017 as instrument No. BR117857.
2. Notice of Assignment of Rents General in favour of BMO registered on April 13, 2017 at instrument No. BR117858.
3. General Security Agreement given by the Debtor, dated March 8, 2017, for all present and future indebtedness of the Debtor to BMO, perfected by financing statement registered as no. 20170213 1447 1590 7048, file reference no. 724822065.

DOCUMENTS NOT REVIEWED

The following documents have not been reviewed as part of giving this opinion:

1. All loan and security documentation in respect of the Guarantee;
2. The Leases.

SCHEDULE "B"**ASSUMPTIONS**

For the purposes of conducting this review, we have assumed the following:

1. that the signatures on the Documents are genuine and that the Documents submitted to us as photocopies or facsimile copies conform to authentic original Documents, and that all Documents were fully completed prior to execution and delivery;
2. that the Debtor had at all relevant times the necessary corporate status, power and capacity, as applicable, to grant to BMO the Documents to which it is party and to perform its obligations under each of those Documents;
3. that there are no outstanding amounts owing to any of the lessees under the Leases that could have priority to the BMO Mortgage;
4. that the Documents were duly authorized, executed and delivered to and in favour of BMO;
5. that the Documents were provided, as the case may be, to BMO by the Debtor on the basis of informed consent and advice and for value;
6. that BMO holds proper evidence of the amount of indebtedness owed to it by the Debtor and the dates on which such indebtedness was incurred;
7. that none of the Documents has been assigned, amended, superseded, released, discharged or otherwise impaired, either in whole or in part;
8. that the Debtor holds legal and beneficial title to the Property and that the Property was, at the time of the granting of the relevant security interest, and is presently, in Ontario;
9. the accuracy and completeness of the descriptions of all property of the Debtor referred to in any Document;
10. that there are no agreements to which the Debtor is a party or was a party at the time of the execution of the Documents which might impair its ability to execute and deliver or grant any of the Documents to which it is a party or to perform any of its obligations thereunder;
11. that none of the Documents, originals or copies of which we examined, has been amended (except as set out in this letter), and there are no other agreements or understandings between the parties that would amend, supplement or qualify any provisions of the Documents;

12. to the extent that a security interest in investment property (as defined in the PPSA) has been granted by the Debtor to BMO, BMO has control of such investment property;
13. that no execution creditor or other person has seized or caused seizure of any asset of the Debtor; and
14. that the public records examined by us in connection with this report were complete and accurate when examined.

SCHEDULE "C"**QUALIFICATIONS**

1. We express no opinion with respect to title to any of the personal property or the Property charged by the Documents.
2. We express no opinion as to the priority of any security interest created by the Documents as against any statutory liens, charges, deemed trusts or other priorities.
3. We express no opinion as to any security interest created by the Documents with respect to any property of the Debtor that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Debtor that are not identifiable or traceable.
4. We express no opinion as to the creation or validity of any charge of, assignment or transfer of or security interest in any of the following property or any interest of the Debtor or the Guarantor therein: (i) any policy of insurance or contract of annuity; (ii) any permits, quotas, licenses and other property which is not personal property; and (iii) any property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement (collectively, the "Special Property") to the extent that the terms of the Special Property or any applicable law prohibits its assignment or requires as a condition of its assignability, a consent, approval, notice or other authorization or registration which has not been made or given.
5. No opinion is expressed under the terms of this opinion with respect to the laws of any jurisdiction (other than Ontario) to the extent that such laws may govern the validity, perfection, effect of perfection or non-perfection of the security interests created by the Documents as a result of the application of Ontario conflict of law rules.
6. We did not investigate whether, any steps were taken in connection with the registration of the Documents or of any of the interests created thereunder: (i) under the Patent Act (Canada), the Trade-marks Act (Canada), the Industrial Designs Act (Canada), the Integrated Circuit Topography Act (Canada), the Copyright Act (Canada) or the Plant Breeders' Rights Act (Canada); (ii) in respect of any vessel which is registered or recorded under the Canada Shipping Act (Canada); (iii) in respect of any rolling stock to which the provisions of the Canada Transportation Act (Canada) or the Shortline Railways Act (Ontario) may apply; or (iv) under the Financial Administration Act (Canada).
7. Provisions of the Document which purport to exculpate any secured party from liability for its acts or which purport to confirm the continuance of obligations notwithstanding any act or omission or other matter are subject to the discretion of an Ontario Court.

8. An Ontario Court may decline to enforce the rights of indemnity and contribution potentially available under the Documents to the extent that they are found to be contrary to equitable principles or public policy.
9. An Ontario Court may decline to enforce those provisions of the Documents which purport to allow a determination, calculation or certificate of a party thereto as to any manner provided for therein to be final, conclusive and binding upon any other party thereto if such determination is found to be inaccurate on its face or to have reached or made on an arbitrary or fraudulent basis.
10. Wherever any matter or thing is to be determined or done in the discretion of any secured party, such discretion may be required to be exercised in a commercially reasonable manner and in good faith.
11. With respect to the charge of, or transfer or pledge or assignment of, or the granting of a security interest in, any account or like personal property pursuant to the Documents, notice may have to be given to the obligor thereunder and the secured creditors may be subject to the equities between the obligor and the grantor of the security interest in the event that it wishes to enforce any such account or like personal property as against the obligor under such account or like personal property.
12. Powers of attorney contained in any of the Documents, although expressed to be irrevocable, may in some circumstances be revoked, including without limitation, pursuant to the Substitute Decisions Act (Ontario).
13. Pursuant to section 8 of the Interest Act (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears.

SCHEDULE "D"**SUMMARY OF SECURITY SEARCHES AGAINST 2495087 ONTARIO INC.
(the "DEBTOR")****Corporate History**

The Debtor was incorporated on December 8, 2015 pursuant to the laws of the Province of Ontario.

Personal Property Security Act (Ontario)

(File Currency: March 24, 2019)

1. Secured Party: Bank of Montreal

Debtor: 2495087 Ontario Inc.

Collateral Classification: Inventory, Equipment, Accounts, Other

General Collateral Description: None

Registration No.: 20170213 1447 1590 7048

File No. 724822065

Registration Date: February 13, 2017

Registration Period: 5 Years

Expiry Date: February 13, 2022

2. Secured Party: Bank of Montreal

Debtor: 2495087 Ontario Inc.

Collateral Classification: Accounts, Other

General Collateral Description: None

Registration No.: 20170213 1447 1590 7049

File No. 724822083

Registration Date: February 13, 2017

Registration Period: 5 Years

Expiry Date: February 13 2022

Bank Act (Ontario)

Date of Search: March 25, 2019

CLEAR

Official Receiver (Bankruptcy)

BIA Estate No: 31-458541

BIA Estate Name: 2495087 Ontario Inc.

Estate Type: Receivership

Date of Proceeding: August 29, 2018

Total Liabilities: \$0

Executions: Ontario (all 49 Ontario enforcement offices)

Date of Search: March 25, 2019

CLEAR

SCHEDULE "E"**LEGAL DESCRIPTION OF REAL PROPERTY**

Municipal Address: 591 Goderich Street, Port Elgin, Ontario

PIN No. 33246-0422 (LT): PT LT 2 BLK 9 PL 11 PT 2, 3R5963; TOWN OF SAUGEEN SHORES

Municipal Address: 595 Goderich Street, Port Elgin, Ontario

PIN No. 33246-0421 (LT): LT 3, 1 BLK 9 PL 11; PT LT 2 BLK 9 PL 11 PT 1 & 3, 3R5963; TOWN OF SAUGEEN SHORES

Doc 2837315 v1

APPENDIX Q

ACCT. MANAGER: Jason Locke

BORROWER: 2495087 ONTARIO INC.

INTEREST UP TO AND INCLUDING: March 28, 2019

	CDN Prime	US Base				
	3.95%	6.00%				
TRANSIT: 3858						
CDN \$ LOAN NO:	PRIME +	RATE	PRINCIPAL	TOTAL INT	TOTAL	PER DIEM
Letter of Credit 3858-6993-479	Fixed	0.0000%	\$50,000.00	\$0.00	\$50,000.00	\$0.00
3858-6993-575	3.0000%	6.9500%	\$2,141,179.30	\$135,071.96	\$2,276,251.26	\$431.12
3858-6989-664	2.5000%	6.4500%	\$55,468.13	\$4,146.86	\$59,614.99	\$10.48
RSM CANADA LIMITED - RECEIVER LOANS						
0002-6931-911	2.5000%	6.4500%	\$99,000.00	\$2,382.46	\$101,382.46	\$17.83
BMO LEGAL FEES			\$16,290.51	\$0.00	\$16,290.51	
TOTAL CDN			\$2,361,937.94	\$141,601.28	\$2,503,539.22	\$459.43

APPENDIX R

RSM Canada Limited
Court Appointed Receiver and Manager of
2495087 Ontario Inc. et al
Interim Statement of Receipts and Disbursements
For the period August 29, 2018 to March 25, 2019

	1496765 Ontario Ltd. (Etobicoke)	1651033 Ontario Ltd. (Burlington)	1527020 Ontario Inc. (Port Colb.)	2495087 Ontario Inc. (Port Elgin)	2496800 Ontario Inc. (Goderich)	Sunshine Propane Inc.	Total
Receipts							
Advances from secured lender (1)	\$ 99,000	87,000	99,000	99,000	99,000	-	483,000
Cash on hand & bank	2,596	-	-	172	909	-	3,677
Funding advanced to other companies (2)	-	-	156,000	191,000	195,000	3,000	545,000
HST collected / refund	-	-	8,714	2,422	-	-	11,136
Miscellaneous	-	-	-	678	3,019	3,293	6,990
Rent	-	-	-	18,633	-	-	18,633
Sale of property	3,700,000	2,500,000	-	-	-	-	6,200,000
Total receipts	\$ 3,801,596	2,587,000	263,714	311,905	297,928	6,293	7,268,435
Disbursements							
Appraisals	\$ 3,800	4,200	3,800	3,800	3,800	-	19,400
Funding advanced to other companies (2)	545,000	-	-	-	-	-	545,000
Insurance	7,220	4,540	2,595	4,983	7,226	-	26,564
Legal fees (3)	13,999	13,999	13,999	13,999	13,999	-	69,995
Miscellaneous	646	1,378	1,570	589	489	345	5,017
Phase I ESA updates	2,185	2,385	2,585	1,800	2,100	-	11,055
Property management fees	7,080	7,432	6,963	10,773	7,192	-	39,440
Property taxes	11,364	85,426	-	-	-	-	96,791
Receiver's fees (4)	55,862	40,989	44,245	49,840	40,463	2,117	233,516
Repairs and maintenance	3,886	1,529	3,350	725	2,242	-	11,732
Repayment of advances (1)	101,426	88,954	-	-	-	-	190,380
Security patrols	13,580	14,420	19,115	19,995	23,905	-	91,015
Snow removal / landscaping	5,680	650	3,050	3,209	6,000	-	18,589
Taking possession	4,926	615	1,685	4,308	4,134	-	15,668
Travel	263	206	691	1,448	503	-	3,111
Utilities - hydro	2,528	377	3,539	7,767	3,687	-	17,897
Utilities - gas	2,476	-	2,381	484	567	-	5,909
Utilities - water	343	1,393	1,220	1,689	-	-	4,644
Waste removal / disposal	-	-	-	349	332	-	682
HST/PST paid	15,521	11,786	13,681	14,904	14,114	311	70,317
Total disbursements	\$ 797,784	280,279	124,469	140,662	130,752	2,773	1,476,719
Excess of Receipts over Disbursements	\$ 3,003,812	2,306,722	139,244	171,243	167,176	3,520	5,791,716

Notes

- (1) The amount of \$483,000 represents funds advanced by Bank of Montreal under Receiver Certificates # 1 to 13. Receiver Certificates # 2, 6 and 9 were repaid, with accrued interest, upon the sale of the Etobicoke Property. Receiver Certificates # 1, 8 and 11 were repaid, with accrued interest, upon the sale of the Burlington Property.
- (2) Transfers from the receivership trust account of 1496765 Ontario Ltd. ("1496765") to fund disbursements for the other companies under the receivership. Funds will be repaid to 1496765 upon the sale of the Port Colborne, Port Elgin and Goderich properties. The transfer to Sunshine Propane Inc. may not be repaid.
- (3) Legal fees billed have been allocated equally among the five properties. This amount includes legal fees to February 28, 2018.
- (4) This amount represents the Receiver's fees incurred to January 31, 2019. The Receiver's fees are billed to each Debtor for work specific to that Debtor. In addition, where the work performed is on account of two or more Debtors, the fees are tracked on a combined basis and then allocated equally to each of the five properties.

*This Appendix forms part of the First Report of the Receiver dated March 29, 2019
and should only be read in conjunction therewith.*

APPENDIX S

Court File No. CV-18-00602537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO LTD., 1496765 ONTARIO LTD. and
SUNSHINE PROPANE INC.

Respondents

AFFIDAVIT OF DANIEL WEISZ
(Sworn March 29, 2019)

I, **DANIEL WEISZ**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President of RSM Canada Limited ("**RSM**") and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.

2. Pursuant to an order of the Court dated August 29, 2018, RSM Canada Limited was appointed receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of 1496765 Ontario Ltd., 1651033 Ontario Ltd., 1527020 Ontario Inc., 2495087 Ontario Inc., 2496800 Ontario Inc. and Sunshine Propane Inc. acquired for, or used in relation to, the businesses carried on by the Debtors, including all proceeds thereof.

3. Attached hereto and marked as Exhibit "**A**" to this my affidavit are copies of invoices issued by RSM for fees incurred by the Receiver in respect of the receivership proceedings for the period February 1 to 28, 2019 (the "**Period**"). The total fees charged for the Period are \$49,051.50, plus HST of \$6,376.72 for a total of \$55,428.22. The average hourly rate charged during the Period was \$402.39.

4. The invoices are a fair and accurate description of the services provided and the amounts charged by RSM for the Period.

5. Attached hereto and marked as **Exhibit "B"** is a schedule summarizing the invoices in Exhibit "A", the total billable hours charged, the total fees charged and the average hourly rate charged. The Receiver's accounts have been prepared on the basis that time incurred that specifically relates to an individual debtor has been billed to that debtor. Time incurred that relates to more than one debtor has been included in the "Combined" invoice referred to in Exhibit "B".

6. I make this affidavit in support of a motion for an Order approving the Receiver's fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario,
this 29th day of March, 2019



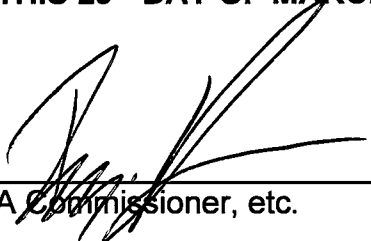
A Commissioner, etc.

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DANIEL WEISZ

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 29th DAY OF MARCH, 2019**



A Commissioner, etc.

**Bryan Allan Tannenbaum, a Commissioner of the
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited
Expires January 5, 2021**



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver and Manager
 of 1496765 Ontario Ltd.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 27, 2019

Client File 7842321-10003

Invoice 6

No. 5620465

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc., 1651033 Ontario Ltd., **1496765 Ontario Ltd.** and Sunshine Propane Inc. for the period ending February 28, 2019.

Date	Professional	Description
02/01/2019	Anne Baptiste	Prepare disbursement cheques.
02/01/2019	Brenda Wong	Review Peregrine Protection ("Peregrine") weekly mobile patrol reports and invoice.
02/01/2019	Donna Nishimura	Deposit cheque at the bank.
02/05/2019	Brenda Wong	Call from Avison Young re site visit by prospective purchaser; call/email to W. Behno re availability for site inspection following prospective purchaser attendance; call to Moreau On Site Property Services ("Moreau") to advise of situation.
02/06/2019	Daniel Weisz	Review and update summary of activities.
02/08/2019	Anne Baptiste	Prepare disbursement cheques; post receipts to Ascend.
02/08/2019	Daniel Weisz	Telephone discussions with B. Wong during her attendance at the premises.
02/08/2019	Brenda Wong	Attendance at 5462 Dundas St. West for site visit to view status of records and property on site; call to DAS Property Services ("DAS") re salting of the parking lot; call to Moreau re new key cut for garage door; emails to Moreau and Avison Young re new key.
02/11/2019	Brenda Wong	Follow up with W. Behno re site visit last week; email to appraiser to inquire as to value of snow plow.
02/12/2019	Brenda Wong	Review emails from Peregrine re site entrance blocked by snow and email to DAS re clearing of same.
02/12/2019	Daniel Weisz	Review Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") opinion on security held by Bank of Montreal and discussion with J. Larry of Paliare Roland on same; review updated draft of the opinion and email to J. Larry re same.

March 27, 2019
 Invoice 6
 Page 2

Date	Professional	Description
02/13/2019	Brenda Wong	Review Peregrine invoices and weekly reports; email to Peregrine re patrols for January 29 to February 1; email to DAS re snow clearance.
02/13/2019	Anne Baptiste	Prepare disbursement cheques.
02/14/2019	Daniel Weisz	Review final opinion letter re BMO security.
02/15/2019	Brenda Wong	Discussion and emails with Avison Young re snow plow and personal belongings of the Debtors on the property.
02/19/2019	Brenda Wong	Review invoice for payment.
02/20/2019	Daniel Weisz	Review updated closing documents and email to A. Riches re same.
02/21/2019	Anne Baptiste	Prepare December bank reconciliation; prepare disbursement cheques.
02/25/2019	Brenda Wong	Emails with DAS re snow plowing status, review invoice for payment.
02/27/2019	Brenda Wong	Review Peregrine mobile patrol reports and invoices; email to City of Toronto re snow plowing.
02/28/2019	Anne Baptiste	Prepare disbursement cheques; filing.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

March 27, 2019
 Invoice 6
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	1.5	\$525	\$ 787.50
Brenda Wong, CIRP, LIT	Senior Manager	5.7	\$395	2,251.50
Anne Baptiste/Donna Nishimura	Estate Administrator	2.0	\$110	220.00
Total hours and professional fees		9.2		\$ 3,259.00
HST @ 13%				423.67
Total payable				\$ 3,682.67

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver and Manager
 of 1651033 Ontario Ltd.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 27, 2019

Client File 7842321-10002
Invoice 6
No. 5620699

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc., **1651033 Ontario Ltd.**, 1496765 Ontario Ltd. and Sunshine Propane Inc. for the period ending February 28, 2019.

Date	Professional	Description
02/01/2019	Anne Baptiste	Prepare December bank reconciliation.
02/01/2019	Brenda Wong	Follow up with Spicer Landscaping & Snow Removal ("Spicer") and Moreau Property Services ("Moreau") re snow clearing for February 6 removal of equipment; review and respond to emails from Modu-Loc re payment of outstanding invoices, review invoices for payment; review SDM Construction ("SDM") invoices to confirm quantity of fencing on site; review weekly mobile patrol reports; email to Peregrine Protection ("Peregrine") re February 6 removal of equipment.
02/01/2019	Daniel Weisz	Review change to Agreement of Purchase and Sale ("APS") re closing date; email to Bank of Montreal regarding same; discussion with B. Sykes of Avison Young; update APS for the change and forward same to B. Sykes; attend at Torkin Manes re deposit cheque.
02/01/2019	Donna Nishimura	Deposit cheque at the bank.
02/04/2019	Brenda Wong	Respond to email from C. Delaney re supporting documentation required for equipment pickup; review Peregrine invoice and weekly patrol reports; emails with Modu-Loc re credit application.
02/04/2019	Daniel Weisz	Review final APS from Avison Young and forward to counsel; review and sign form re fence rental.
02/05/2019	Brenda Wong	Respond to Modu-Loc re its request for the Receiver to complete a credit application.
02/05/2019	Colleen Delaney	Prepare for February 6, 2019 site visit and discuss same with B. Wong; prepare and print consent form for release of keys to the trailer.
02/06/2019	Brenda Wong	Calls with Moreau re cancellation of site visit today; respond to Avison Young re purchaser's request for site inspections.

March 27, 2019
 Invoice 6
 Page 2

Date	Professional	Description
02/06/2019	Daniel Weisz	Discussion with B. Wong re status of trailer pickup; review and update summary of activities.
02/06/2019	Colleen Delaney	Travel to Burlington for meeting with SDM and Moreau regarding removal of trailer, storage bin and portable toilet.
02/08/2019	Anne Baptiste	Prepare disbursement cheques.
02/08/2019	Colleen Delaney	Call R. D'Amico of SDM and E. Moreau of Moreau to discuss site visit and reschedule same to February 15th; email all parties to advise of rescheduled site visit.
02/11/2019	Brenda Wong	Email to Moreau re snow clearing this week.
02/12/2019	Daniel Weisz	Review Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") opinion on security held by Bank of Montreal and discussion with J. Larry on same, review updated draft of the opinion and email to J. Larry re same; exchange emails with S. Eiley of Torkin Manes LLP re name of purchaser and email to Avison Young regarding same.
02/13/2019	Brenda Wong	Review mobile patrol reports; respond to inquiry from City of Burlington; call to Canada Revenue Agency ("CRA") to inquire re status of RT0002 account and resending RC59 to CRA.
02/14/2019	Daniel Weisz	Review email from B. Sykes re name in which title to be taken of property and email to Paliare Roland and Torkin Manes in respect of same; review final opinion letter re BMO security.
02/15/2019	Colleen Delaney	Travel to Burlington to meet with electrician and representatives from: SDM, Battlefield, Dickie Moore, Nature's Call and Moreau; open and enter trailer with SDM and Moreau representatives, take photos, confirm contents and obtain signature for handover of keys; obtain sign-offs from Dickie Moore for removal of the construction trailer, Battlefield for removal of the storage trailer and Nature's Call for removal of portable toilet; observe electricity being disconnected and cable removed; take photos; discuss final requirements with Moreau; email to B. Wong and D. Weisz re same.
02/15/2019	Brenda Wong	Call from C. Delaney re status of equipment removal today; email to Spicer re snow plowing and salting services; review invoices for payment; calls with Moreau re slip and fall on driveway; call and email to Spicer re salting of driveway.
02/15/2019	Daniel Weisz	Review email re results of SDM property being removed; discussion with B. Wong re the property; review and sign authorization for release of documents to purchaser's counsel.
02/18/2019	Brenda Wong	Review and respond to email from the purchaser re site visit tomorrow.
02/18/2019	Daniel Weisz	Review and exchange emails re purchaser request to attend at the property.
02/19/2019	Brenda Wong	Review invoice for payment; discussion with CRA re filing of RC342 for 1651033 after RT0002 account is set up.
02/19/2019	Daniel Weisz	Review request for second authorization from the purchaser; review form of authorization and discussion with A. Riches re same.
02/20/2019	Daniel Weisz	Review draft closing documents and provide comments to A. Riches re same.
02/20/2019	Colleen Delaney	Scan photos and signed property forms; update B. Wong and provide original documents and keys.

March 27, 2019
 Invoice 6
 Page 3

Date	Professional	Description
02/21/2019	Anne Baptiste	Prepare December bank reconciliation; prepare disbursement cheques.
02/28/2019	Anne Baptiste	Filing of banking support documentation.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	4.5	\$525	\$ 2,362.50
Brenda Wong, CIRP, LIT	Senior Manager	2.4	\$395	948.00
Colleen Delaney, CPA, CA, CIRP, LIT	Senior Manager	8.1	\$395	3,199.50
Anne Baptiste/Donna Nishimura	Estate Administrator	1.6	\$110	176.00
Total hours and professional fees		16.6		\$ 6,686.00
HST @ 13%				869.18
Total payable				\$ 7,555.18

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver and Manager
 of 1527020 Ontario Inc.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 27, 2019

Client File 7842321-10001
Invoice 6
No. 5620534

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2495087 Ontario Inc., 2496800 Ontario Inc., **1527020 Ontario Inc.**, 1651033 Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc. for the period ending February 28, 2019.

Date	Professional	Description
02/01/2019	Anne Baptiste	Prepare disbursement cheques.
02/01/2019	Daniel Weisz	Review amended pages to Agreement of Purchase and Sale ("APS"); review and sign APS; email to Bank of Montreal ("BMO") re change of deposit amount; email to BMO re same; discussion with B. Sykes of Avison Young; email to B. Sykes enclosing signed APS.
02/01/2019	Donna Nishimura	Deposit cheque at the bank.
02/01/2019	Usama Emad	Obtain quote for opening the safes in Port Colborne.
02/04/2019	Brenda Wong	Review quote re opening safes and obtain photos of coin machines to inquire re opening of same; review refund cheque received from Canada Revenue Agency ("CRA").
02/04/2019	Daniel Weisz	Review email re fully executed APS and email to counsel re same.
02/04/2019	Usama Emad	Discussion with Toronto Safecracker re quote to open the safes and coin boxes located at the property.
02/06/2019	Brenda Wong	Emails with Moreau On Site Property Services ("Moreau") and Avison Young re scheduling site inspection after February 18; prepare checklist for Port Colborne site visit; email to Moreau re upcoming site visit to open safes.
02/06/2019	Daniel Weisz	Review and update summary of activities.
02/08/2019	Anne Baptiste	Prepare disbursement cheques.
02/11/2019	Brenda Wong	Calls and emails with Moreau re date/arrangements for site inspection by purchaser; emails with Avison Young re time required for site inspection and contact information; review BC Lawn Care's invoice for January.
02/11/2019	Usama Emad	Schedule attendance for the safe cracker for February 19th at the property; review CRA HST audit request and discussion with B. Wong re same.

March 27, 2019
 Invoice 6
 Page 2

Date	Professional	Description
02/12/2019	Daniel Weisz	Review Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") opinion on security held by BMO and discussion with J. Larry of Paliare Roland on same; review updated draft of the opinion and email to J. Larry re same.
02/13/2019	Brenda Wong	Discussion with U. Emad re site visit next week; email from Avison Young re purchaser's request to reschedule site inspection; call with CRA to set up RT0002 account.
02/13/2019	Usama Emad	Meeting with B. Wong re next week's site visit and prepare for visit.
02/13/2019	Anne Baptiste	Prepare disbursement cheques.
02/14/2019	Daniel Weisz	Review final opinion letter re BMO security.
02/15/2019	Brenda Wong	Review invoices for payment.
02/18/2019	Brenda Wong	Call from Moreau and email to W. Behno re return of Port Colborne keys to Moreau for February 19 site visit.
02/19/2019	Brenda Wong	Discussions and emails with U. Emad re matters at Port Colborne site including safe, computers and coin boxes; receipt of CRA HST refund cheque.
02/19/2019	Daniel Weisz	Review draft closing documents re sale of property and provide comments to Torkin Manes.
02/19/2019	Donna Nishimura	Deposit cheque at the bank.
02/19/2019	Usama Emad	Attend at Port Colborne to meet safe cracker, secure computers, take photos of the trailers and check for book of records on the premises.
02/20/2019	Brenda Wong	Emails with C. Delaney and Moreau re coin machines; review documents from Port Colborne safe; discussion with Moreau re request by purchaser for second site visit and locksmith attending to open coin machines on November 1; respond to email from Avison Young re request for second site visit.
02/20/2019	Usama Emad	File site visit correspondence and documentation of the visit.
02/20/2019	Colleen Delaney	Research and respond to inquiries from B. Wong regarding locks and coin boxes.
02/21/2019	Anne Baptiste	Prepare December bank reconciliations; prepare disbursement cheques.
02/25/2019	Brenda Wong	Call to Moreau and emails with Avison Young re scheduling second site inspection.
02/26/2019	Brenda Wong	Call with Moreau and email to Avison Young to confirm site visit for March 1.
02/26/2019	Usama Emad	File HST returns for periods ended October 31, 2018 and January 31, 2019.
02/27/2019	Brenda Wong	Calls and or emails with Avison Young and Moreau re rescheduling of site visit.
02/28/2019	Anne Baptiste	Filing of banking documentation.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

March 27, 2019
 Invoice 6
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	3.9	\$525	\$ 2,047.50
Brenda Wong, CIRP, LIT	Senior Manager	3.7	\$395	1,461.50
Colleen Delaney, CPA, CA, CIRP, LIT	Senior Manager	0.1	\$395	39.50
Usama Emad, CPA	Senior Associate	9.0	\$195	1,755.00
Anne Baptiste/Donna Nishimura	Estate Administrator	1.9	\$110	209.00
Total hours and professional fees		18.6		\$ 5,512.50
HST @ 13%				716.63
Total payable				\$ 6,229.13

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED



GST/HST: 80784 1440 RT 0001

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Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver and Manager of
 2495087 Ontario Inc.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 27, 2019

Client File 7842321-10006

Invoice 6

No. 5620615

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of **2495087 Ontario Inc.**, 2496800 Ontario Inc., 1527020 Ontario Inc., 1651033 Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc. for the period ending February 28, 2019.

Date	Professional	Description
02/01/2019	Anne Baptiste	Prepare disbursement cheques.
02/01/2019	Brenda Wong	Call and email to Elite Landscaping ("Elite") re outstanding invoices for snow clearing.
02/04/2019	Brenda Wong	Follow up re status of safe and obtain quote re same; check online banking to confirm receipt of TDL rent.
02/04/2019	Usama Emad	Obtain an update on property tax owed as of January 2019; prepare table of outstanding property taxes for the Receiver's first report; contact Toronto Safecracker to obtain quote on the safe located at Port Elgin.
02/05/2019	Brenda Wong	Calls/emails to Moreau On Site Property Services ("Moreau")/Avison Young to schedule a date for a site inspection; review email and invoices from Elite; respond to emails from Avison Young re purchaser's due diligence requests.
02/06/2019	Brenda Wong	Emails with Moreau re Elite snow contract and email to Elite re pricing for snow removal; discussion with U. Emad re Toronto Safecracker quote; emails with Avison Young re purchaser due diligence information requests; discussion with D. Weisz re inventory on site and email and discussion with Avison Young re inventory re the sale transaction; email to J. Larry of Paliare Roland Rosenberg Rothstein LLP re disposition of inventory.
02/06/2019	Daniel Weisz	Review and update summary of activities; discussion with B. Wong re disposition of inventory at the premises.
02/08/2019	Anne Baptiste	Prepare disbursement cheques; post deposits to Ascend.
02/08/2019	Brenda Wong	Call from D. Banks of Elite re billing for snow removal for November, December and January.
02/11/2019	Brenda Wong	Call from collection agency re outstanding Westario account for pre-receivership charges; review Westario, Elite and Rubicon bills and prepare cheque requisitions; call from Canada Revenue Agency ("CRA") re its review

March 27, 2019
 Invoice 6
 Page 2

Date	Professional	Description
		of the HST return for quarter ending December 31, 2018; discussion with D. Weisz re disposal of inventory; email to Moreau re photos of remaining inventory.
02/13/2019	Brenda Wong	Email to Federated Insurance re extension/renewal of insurance.
02/13/2019	Usama Emad	Gather supporting documents for the CRA HST audit for Q4 2018.
02/13/2019	Anne Baptiste	Prepare disbursement cheques; filing of banking documentation.
02/13/2019	Daniel Weisz	Exchange emails with K. Avison re Tim Hortons Right of First Refusal and discussion with J. Larry on same; review and sign cheques.
02/14/2019	Daniel Weisz	Exchange email with B. Sykes of Avison Young re status of purchaser's condition.
02/15/2019	Usama Emad	Contact Miller Waste regarding the padlock on the bin.
02/15/2019	Brenda Wong	Review and respond to email from tenant and call to Elite re servicing the lot.
02/15/2019	Daniel Weisz	Discussion with B. Wong re the property.
02/19/2019	Brenda Wong	Follow up with Federated Insurance re renewal of insurance policy; review invoice for payment.
02/20/2019	Brenda Wong	Prepare letter response to CRA re its audit of the HST return filed for the period ending December 31, 2018.
02/21/2019	Anne Baptiste	Prepare disbursement cheques.
02/22/2019	Brenda Wong	Call from K. Gillespie of CRA re information received for HST audit.
02/26/2019	Brenda Wong	Email and call with Union Gas and call with Moreau re Union Gas inspection request.
02/27/2019	Brenda Wong	Review emails re purchaser's request to extend deadline for due diligence.
02/27/2019	Daniel Weisz	Emails re extension to closing date.
02/28/2019	Anne Baptiste	Prepare disbursement cheques; filing.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

March 27, 2019
 Invoice 6
 Page 3

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.8	\$525	\$ 420.00
Brenda Wong, CIRP, LIT	Senior Manager	4.0	\$395	1,580.00
Usama Emad, CPA	Senior Associate	1.1	\$195	214.50
Anne Baptiste	Estate Administrator	2.1	\$110	231.00
Total hours and professional fees		8.0		\$ 2,445.50
HST @ 13%				317.92
Total payable				\$ 2,763.42

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED



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Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver and Manager of
 2496800 Ontario Inc.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 27, 2019

Client File 7842321-10000

Invoice 6

No. 5620399

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2495087 Ontario Inc., **2496800 Ontario Inc.**, 1527020 Ontario Inc., 1651033 Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc. for the period ending February 28, 2019.

Date	Professional	Description
02/01/2019	Anne Baptiste	Prepare disbursement cheques.
02/06/2019	Daniel Weisz	Review summary of activities; discussion with B. Wong re disposition of inventory at the premises.
02/08/2019	Anne Baptiste	Prepare disbursement cheques.
02/11/2019	Brenda Wong	Review Rubicon and Bluewater invoices for payment and prepare cheque requisitions.
02/13/2019	Anne Baptiste	Prepare disbursement cheques.
02/13/2019	Daniel Weisz	Review and sign cheques.
02/19/2019	Brenda Wong	Review invoice for payment.
02/21/2019	Anne Baptiste	Prepare disbursement cheques; prepare December bank reconciliation.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

March 27, 2019
 Invoice 6
 Page 2

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.3	\$525	\$ 157.50
Brenda Wong, CIRP, LIT	Senior Manager	0.2	\$395	79.00
Anne Baptiste	Estate Administrator	0.9	\$110	99.00
Total hours and professional fees		1.4		\$ 335.50
HST @ 13%				43.62
Total payable				\$ 379.12

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED



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Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

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 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver and Manager
 of Sunshine Propane Inc.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 27, 2019

Client File 7842321-10004
Invoice 6
No. 5620331

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc., 1651033 Ontario Ltd., 1496765 Ontario Ltd. and **Sunshine Propane Inc.** for the period ending February 28, 2019.

Date	Professional	Description
02/20/2019	Brenda Wong	Call from and email to Merchant Advance re motion materials served.
02/21/2019	Anne Baptiste	Prepare December bank reconciliation.
02/28/2019	Anne Baptiste	Filing of banking supporting documentation.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

March 27, 2019
 Invoice 6
 Page 2

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Brenda Wong, CIRP, LIT	Senior Manager	0.1	\$395	\$ 39.50
Anne Baptiste	Estate Administrator	0.2	\$110	22.00
Total hours and professional fees		0.3		\$ 61.50
HST @ 13%				8.00
Total payable				\$ 69.50

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

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 RSM CANADA LIMITED



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

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 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver and Manager of
 2495087 Ontario Inc. et al
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 27, 2019

Client File 7842321-10005

Invoice 6

No. 5621015

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc., 1651033 Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc. for the period ending February 28, 2019.

Date	Professional	Description
02/01/2019	Brenda Wong	Review emails re offers and question on vesting order; discussion with D. Weisz re status of offers and court application; prepare follow-up letter to Canada Revenue Agency ("CRA") to request trust exams; review and sign disbursement cheques; continue writing report re offers received.
02/01/2019	Daniel Weisz	Discussion with C. Hunt re status of offers; discussion with S. Eiley of Torkin Manes re proposed court date and timing of closing; discussion with S. Thom of Torkin Manes re availability of dates; email to J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") re obtaining a court date; email to S. Eiley re deposit from purchaser; discussion with B. Wong on report to court; discussion with B. Wong on status of priority liabilities re CRA; discussion with K. Avison of Avison Young re deposits provided and discussion with B. Cohen of Torkin Manes re same; email to K. Avison authorizing return of deposits re unsuccessful bids; sign cheques; meet with K. Avison; work on report to court.
02/01/2019	Usama Emad	Follow up with city/towns respectively for updated property tax statements.
02/02/2019	Brenda Wong	Review D. Weisz changes to draft report and make additional edits.
02/04/2019	Brenda Wong	Make changes to Receiver's draft report; review emails re offers; review Moreau On Site Property Services ("Moreau") monthly invoices for payment; discussion with Moreau re various outstanding matters; respond to Avison Young email re purchasers' request for site inspections; emails with Avison Young and Moreau re setting up a time for site inspections; emails and discussion with Avison Young re updated marketing information; review summary of activities.
02/04/2019	Daniel Weisz	Discussion with B. Wong re report to court; work on report to court.
02/05/2019	Brenda Wong	Make updates and revisions to draft report and confidential appendices; emails with Avison Young re marketing update.

March 27, 2019
 Invoice 6
 Page 2

Date	Professional	Description
02/05/2019	Daniel Weisz	Discussion with B. Wong on report to court; review and update confidential appendices; discussion on status of offers received; discussion with J. Larry on various matters; review J. Larry email re his discussion with M. Middlestadt; review email from K. Avison re marketing report and email to K. Avison re same.
02/06/2019	Brenda Wong	Prepare weekly update memo and review edits; discussion with K. Avison re marketing of properties; prepare supporting paperwork for processing of deposits received on sale of properties; prepare appendices for first report, prepare affidavit of fees; review draft R&D.
02/06/2019	Daniel Weisz	Review and update summary of activities; conference call with J. Larry and B. Wong re the Report; review and update lender update.
02/06/2019	Usama Emad	Prepare statement of receipts and disbursements ("R&D") for the period ending January 31, 2019.
02/07/2019	Daniel Weisz	Review email from B. Sykes of Avison Young and reply to same; discussions with E. Rathbone of Paliare Roland and J. Larry re comments to draft report; discussion with S. Thom; update draft report and confidential appendices.
02/07/2019	Donna Nishimura	Prepare summary of Receiver's fees for Affidavit of Fees.
02/07/2019	Usama Emad	Update the R&D.
02/08/2019	Daniel Weisz	Discussion with S. Eiley re sale closing documents; review and sign cheques; review statement of receipts and disbursements and discussion with B. Wong on same.
02/08/2019	Brenda Wong	Review R&D; review and sign disbursement cheques; email to Rubicon re final accounts not received; referencing of first report to source documents.
02/10/2019	Brenda Wong	Continue referencing of report to source documents.
02/11/2019	Daniel Weisz	Review and update affidavit of fees; discussion with J. Larry re status of report, notice of motion, court orders, legal opinions, etc., discussion with B. Wong re update to report; review email from S. Thom re corporate search; review and finalize affidavit of fees; review draft court order and email to J. Larry with comments; review S. Thom comments re draft report to court and discussion with S. Thom on same; discussion with B. Wong on same; attend at Paliare Roland and meet with J. Larry and E. Rathbone re matters relating to the report to court.
02/11/2019	Brenda Wong	Update reference report to source documents, review and update report tables, prepare appendices to report; review updated corporate profile search for 2495087 and update report; follow up with Diabetes Canada re removal of its bins; review correspondence; review Torkin Mane comments on report and made additional changes.
02/12/2019	Brenda Wong	Make revisions and updates to report and appendices; call with J. Larry and D. Weisz re confidential appendices and legal opinions; emails with Paliare Roland re service list updates; review invoices for payment.
02/12/2019	Daniel Weisz	Review draft notice of motion and provide comments to J. Larry; review and update report; discussion with B. Wong on same; review of report re changes required; review service list, review files and email to E. Rathbone re same.
02/13/2019	Brenda Wong	Final review and make changes to the Receiver's report to Court; prepare weekly update memo.

March 27, 2019
 Invoice 6
 Page 3

Date	Professional	Description
02/13/2019	Daniel Weisz	Work on report and finalize same; attend at Paliare Roland and meet with J. Larry; review, update, finalize and send lender update.
02/14/2019	Daniel Weisz	Review and file emails.
02/15/2019	Brenda Wong	Discussion with Moreau re various items including site visits next week, inventory at gas stations; review emails from Torkin Manes and send copies of property tax bills and snow clearing contract.
02/15/2019	Daniel Weisz	Exchange emails with S. Eiley re closing documents for the sale of the properties.
02/19/2019	Brenda Wong	Email to HUB International Insurance Brokers ("HUB") re renewal of insurance policies.
02/19/2019	Daniel Weisz	Review draft factum and provide comments to Paliare Roland; review voicemail re interest in properties and emails to S. Thom and J. Larry re same; review email from O. Ogunniyi re Receiver's application to court and position of the debtors; discussion with J. Larry on same; review draft response to O. Ogunniyi and J. Larry re same.
02/20/2019	Brenda Wong	Prepare weekly update memo for lender.
02/20/2019	Daniel Weisz	Preliminary review of lender update.
02/21/2019	Daniel Weisz	Prepare for and attend in court re Receiver's application for court approval of agreements of purchase and sale and other relief, conference call with K. Avison and B. Sykes re same, various emails re same.
02/22/2019	Daniel Weisz	Discussion with J. Larry re documentation re court hearing on March 4; review email from K. Avison re communications with purchasers; respond to same and review email from J. Larry; review and sign cheques.
02/22/2019	Brenda Wong	Review and sign disbursement cheques; email to HUB re renewal of insurance policies.
02/25/2019	Brenda Wong	Discussion with S. Thom re the agreement of purchase and sale template sent to Avison Young by the Receiver.
02/26/2019	Brenda Wong	Review email correspondence.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

March 27, 2019
 Invoice 6
 Page 4

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	37.0	\$525	19,425.00
Brenda Wong, CIRP, LIT	Senior Manager	26.9	\$395	10,625.50
Usama Emad, CPA	Senior Associate	3.2	\$195	624.00
Donna Nishimura	Estate Administrator	0.7	\$110	77.00
Total hours and professional fees		67.8		\$ 30,751.50
HST @ 13%				3,997.70
Total payable				\$ 34,749.20

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

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 RSM CANADA LIMITED

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 29th DAY OF MARCH, 2019**



A Commissioner, etc.

Bryan Allan Tannenbaum, a Commissioner, etc.
Province of Ontario, for RSM Canada Ltd.
and RSM Canada Limited
witness January 5, 2021

**In the Matter of the Receivership of
2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc.,
1651033 Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc.
Summary of Receiver's Fees
For the Period February 1 to 28, 2019**

Invoice Date	Period	Hours	Fees	HST	Total	Average Hourly Rate
1496765 Ontario Ltd.						
	February 1 to 28, 2019	9.2	\$ 3,259.00	\$ 423.67	\$ 3,682.67	\$ 354.24
		9.2	\$ 3,259.00	\$ 423.67	\$ 3,682.67	\$ 354.24
1651033 Ontario Ltd.						
	February 1 to 28, 2019	16.6	\$ 6,686.00	\$ 869.18	\$ 7,555.18	\$ 402.77
		16.6	\$ 6,686.00	\$ 869.18	\$ 7,555.18	\$ 402.77
1527020 Ontario Inc.						
	February 1 to 28, 2019	18.6	\$ 5,512.50	\$ 716.63	\$ 6,229.13	\$ 296.37
		18.6	\$ 5,512.50	\$ 716.63	\$ 6,229.13	\$ 296.37
2495087 Ontario Inc.						
	February 1 to 28, 2019	8.0	\$ 2,445.50	\$ 317.92	\$ 2,763.42	\$ 305.69
		8.0	\$ 2,445.50	\$ 317.92	\$ 2,763.42	\$ 305.69
2496800 Ontario Inc.						
	February 1 to 28, 2019	1.4	\$ 335.50	\$ 43.62	\$ 379.12	\$ 239.64
		1.4	\$ 335.50	\$ 43.62	\$ 379.12	\$ 239.64
Sunshine Propane Inc.						
	February 1 to 28, 2019	0.3	\$ 61.50	\$ 8.00	\$ 69.50	\$ 205.00
		0.3	\$ 61.50	\$ 8.00	\$ 69.50	\$ 205.00
COMBINED						
	February 1 to 28, 2019	67.8	\$ 30,751.50	\$ 3,997.70	\$ 34,749.20	\$ 453.56
		67.8	\$ 30,751.50	\$ 3,997.70	\$ 34,749.20	\$ 453.56
Total		121.9	\$ 49,051.50	\$ 6,376.72	\$ 55,428.22	\$ 402.39

APPENDIX T

Court File No.: CV-18-00602537-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC.,
1651033 ONTARIO INC. LTD., 1496765 ONTARIO INC. LTD. and
SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C.
1985 c-B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

AFFIDAVIT OF MICHELLE JACKSON

(Sworn March 29, 2019)

I, Michelle Jackson, of the Town of Milton, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am an assistant at the law firm of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland"). I have personal knowledge of the matters to which I hereinafter refer.
2. Pursuant to the order of the Honourable Justice Hailey dated August 29, 2018 (the "Appointment Order"), RSM Canada Limited was appointed as the receiver (the "**Receiver**") of all the assets, undertakings and properties of 2495087 Ontario Inc., 2496800 Ontario Inc., 1527020 Ontario Inc., 1651033

Ontario Ltd., 1496765 Ontario Ltd. and Sunshine Propane Inc. (collectively, the “Debtors”) acquired for, or used in relation to businesses carried on by the Debtors.

3. Pursuant to the Appointment Order, Paliare Roland has provided services to and incurred disbursements on behalf of the Receiver. The detailed invoices attached hereto and marked as **Exhibit “A”** (the “Dockets”) set out Paliare Roland’s fees and disbursements from February 1, 2019 to February 28, 2019. The Dockets describe the services provided and the amounts charged by Paliare Roland.

4. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Paliare Roland. The hourly rates charged are the usual hourly rates charged by Paliare Roland for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Jeff Larry, Partner, 2001 Call	\$675/hr	16.30	11,002.50
Elizabeth Rathbone, Associate, 2016 Call	\$450/hr	51.70	23,265.00
Deanna Watters, Law Clerk	\$220/hr	0.40	88.00
Subtotal		68.40	\$34,355.50

5. Inclusive of HST and disbursements, the total amount of the Dockets are **\$40,526.95**.

SWORN BEFORE ME, at the City of
Toronto, in the Province of Ontario this
29th day of March, 2019.

A commissioner, etc.

Michelle Jackson

-and-

BANK OF MONTREAL

Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

AFFIDAVIT OF MICHELLE JACKSON

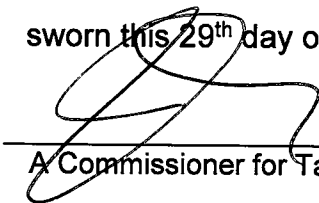
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West
35th Floor
Toronto, ON M5V 3H1
Tel: 416.646.4300
Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)
Tel: 416.646.4330
jeff.larry@paliareroland.com

Elizabeth Rathbone (LSO# 70331U)
Tel: 416.646.7488
elizabeth.rathbone@paliareroland.com

Lawyers for the Receiver

This is **Exhibit "A"** referred to in
the Affidavit of Michelle Jackson
sworn this 29th day of March, 2019



A Commissioner for Taking Affidavits



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

Private and Confidential
Danny Weisz
RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

February 28, 2019
Invoice No.: 88464
Our File No.: 6595-95326

RE: 2495087 Ontario Inc. et al

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending February 28, 2019:

Total Fees	\$ 34,355.50
Non Taxable Disbursements	179.00
Total Disbursements subject to HST	1,350.65
Total HST	<u>4,641.80</u>

INVOICE TOTAL	<u><u>\$ 40,526.95</u></u>
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PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

A handwritten signature in black ink, appearing to be "J. Larry", written over a horizontal line.

Jeffrey Larry



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

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paliareroland.com

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Danny Weisz
RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

February 28, 2019
Invoice No.: 88464
Our File No.: 6595-95326

RE: 2495087 Ontario Inc. et al

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending February 28, 2019:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
01/02/19	ER	Conduct and draft security reviews; confer with J. Larry re same, construction lien issues; e-mail to S. Thom re same;	450.00	6.10	2,745.00
01/02/19	DW	Conduct corporate search re Auto -Car Wash Co.; email to ESC Corporate Services to verify name; review names search; email status of search results to J. Larry;	220.00	0.40	88.00
03/02/19	ER	Review and revise security review; e-mails with J. Larry re same; draft sale approval documents;	450.00	3.10	1,395.00
04/02/19	ER	Draft materials re sale approval; review and revise security reviews; confers with D Rosenbluth re sale materials; confer with J Larry re same; e-mails with J. Larry re same;	450.00	4.20	1,890.00
05/02/19	JL	Review and comment on Receiver's report;	675.00	0.80	540.00
05/02/19	ER	Review Receiver's report; comment on same for J Larry; follow ups re security reviews;	450.00	3.30	1,485.00

ERRORS AND OMISSIONS EXCLUDED TERMS: DUE UPON RECEIPT. AMOUNTS ARE STATED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED.
INTEREST AT THE RATE OF 2% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS NOT PAID WITHIN ONE MONTH FROM THE DATE OF THIS INVOICE.
HARMONIZED SALES TAX REGISTRATION NUMBER 88386 4518 RT 0001

RSM Canada Limited

Invoice No.: 88464
 Our File No.: 6595-
 95326
 Page No.: 2

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
06/02/19	JL	Review and comment on Receiver's report;	675.00	0.60	405.00
07/02/19	JL	Further review and revisions to Receiver's report; discussion with E. Rathbone; discussion with D. Weisz;	675.00	0.80	540.00
07/02/19	ER	Review Receiver's report; multiple confers with D Weisz re same; e-mails with D Weisz, J Larry re same; confers with assistant re fee affidavit; review sale orders;	450.00	1.60	720.00
08/02/19	ER	Prepare and revise notice of motion, drafts orders re sale approvals and miscellaneous relief; e-mails and confers with J Larry re same; e-mails and confers with D Weisz re same;	450.00	6.70	3,015.00
11/02/19	JL	Drafting opinions for Receiver; review of materials; prepare Notice of Motion and orders;	675.00	3.40	2,295.00
11/02/19	ER	Review and revise notice of motion, orders, security reviews; e-mails with J Larry re same; confers with J Larry re same;	450.00	2.60	1,170.00
12/02/19	JL	Finalizing materials; telephone call with D. Weisz; discussion with E. Rathbone;	675.00	2.60	1,755.00
12/02/19	ER	Review and revise Receiver's report; compile, review, and revise service list; multiple e-mails with B Wong, D Weisz re same; review and revise order re miscellaneous relief;	450.00	3.70	1,665.00
13/02/19	JL	Various email correspondence re ROFR; finalize and serve	675.00	0.80	540.00

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 INTEREST AT THE RATE OF 2% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS NOT PAID WITHIN ONE MONTH FROM THE DATE OF THIS INVOICE.
 HARMONIZED SALES TAX REGISTRATION NUMBER 88368 4518 RT 0001

RSM Canada Limited

Invoice No.: 88464
 Our File No.: 6595-
 95326
 Page No.: 3

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		materials;			
13/02/19	ER	Review and revise motion record re sale approval; multiple confers with J Larry, M Jackson re same; e-mails with D Weisz, B Wong re same; finalize and serve same;	450.00	4.10	1,845.00
14/02/19	JL	Working on factum;	675.00	0.40	270.00
15/02/19	ER	Confer with J Larry re factum; confer with D Rosenbluth re same; review precedents re same;	450.00	0.60	270.00
18/02/19	ER	Draft factum re sale approval; e-mails with J Larry re same;	450.00	3.80	1,710.00
19/02/19	JL	Review and revise factum; correspondence with counsel; Telephone call with D. Weisz;	675.00	0.70	472.50
19/02/19	ER	Review and revise factum per J Larry, RSM; prepare book of authorities re same; serve same; review correspondence from debtors counsel, J Larry;	450.00	2.60	1,170.00
20/02/19	JL	Discussion with E. Rathbone re: call from counsel; correspondence with D. Weisz;	675.00	0.30	202.50
20/02/19	ER	Prepare for hearing; compile documents re same; review and revise sale orders; confer with P Tewathia re sales; e-mail to J Larry re call;	450.00	3.70	1,665.00
21/02/19	JL	Attend at court for sale approval motion; discussions with D. Weisz; correspondence;	675.00	2.30	1,552.50
21/02/19	ER	Prepare for and attend sale hearing; multiple confers with J Larry, D Weisz re same; e-mails	450.00	2.70	1,215.00

ERRORS AND OMISSIONS EXCLUDED TERMS: DUE UPON RECEIPT. AMOUNTS ARE STATED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED.
 INTEREST AT THE RATE OF 2% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS NOT PAID WITHIN ONE MONTH FROM THE DATE OF THIS INVOICE.
 HARMONIZED SALES TAX REGISTRATION NUMBER 88366 4518 RT 0001

RSM Canada Limited

Invoice No.: 88464

Our File No.: 6595-95326

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DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		with O Ogunniyi re same; e-mails with J Larry re same;			
22/02/19	JL	Various email correspondence and calls with D. Weisz and counsel;	675.00	1.30	877.50
25/02/19	JL	Discussions with E. Rathbone; correspondence with counsel; consider issues re examinations; call with S. Thom;	675.00	0.30	202.50
25/02/19	ER	E-mails with J Larry; conduct research re right to examine receiver; confer with J Larry re same;	450.00	1.50	675.00
26/02/19	JL	Correspondence with counsel; call with counsel;	675.00	0.60	405.00
28/02/19	JL	Review responding materials; Telephone call with counsel; consider next steps; discussion with E. Rathbone;	675.00	1.40	945.00
28/02/19	ER	Review responding motion record; review and prepare comparison chart re same; call with D Weisz re same; call with D Weisz, J Larry re same; e-mails and confers with J. Larry re same;	450.00	1.40	630.00

TIME SUMMARY

MEMBER	POSITION	HOURS	RATE	VALUE
Elizabeth Rathbone (ER)	Associate	51.70	450.00	23,265.00
Deanna Watters (DW)	Law Clerk	0.40	220.00	88.00
Jeffrey Larry (JL)	Partner	16.30	675.00	11,002.50
OUR FEES				\$ 34,355.50
HST at 13%				4,466.22

RSM Canada Limited

Invoice No.: 88464
 Our File No.: 6595-
 95326
 Page No.: 5

Non Taxable Disbursements:

Search Disbursement - Non-
 taxable 19.00

14/02/19 Filing Fee Re: Motion Record 160.00
 Cheque No. 34837 for Ref 95326
 issued to Minister of Finance

Total Non Taxable Disbursements 179.00

Taxable Disbursements:

Laser Copies 862.75

Search Disbursement 77.50

Photocopies 296.50

Cerlox and Binding 3.90

20/02/19 Process Server 55.00
 Fees/Disbursements Re: Motion
 Record - Commercial List Voucher
 No. 21470 for Invoice No. 148615
 issued by (581) Nixon Legal
 Services Inc.

27/02/19 Process Server 55.00
 Fees/Disbursements Re: Factum
 and Book of Authorities Voucher
 No. 21645 for Invoice No. 148810
 issued by (581) Nixon Legal
 Services Inc.

Total Taxable Disbursements 1,350.65
HST at 13% 175.58

INVOICE TOTAL \$ 40,526.95



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
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Toronto, Ontario M5H 4C7

February 28, 2019
Invoice No.: 88464
Our File No.: 6595-95326

RE: 2495087 Ontario Inc. et al

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 34,355.50
Non Taxable Disbursements	179.00
Total Disbursements subject to HST	1,350.65
Total HST	4,641.80
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INVOICE TOTAL	\$ 40,526.95
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