

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ALLY AWADH

Applicant

-and-

LAKE TRADING WELLAND INC.

Respondent

**MOTION RECORD
Approval of Sales Process**

DATE: November 5, 2024

GOLDMAN SLOAN NASH & HABER LLP

Barristers and Solicitors
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TO: THE SERVICE LIST

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Tab A

Court File No. CV-24-00014901-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ALLY AWADH

Applicant

-and-

LAKE TRADING WELLAND INC.

Respondent

**NOTICE OF MOTION
(Sale Process Order)**

msi Spergel inc. ("**Spergel**"), in its capacity as the Court- appointed receiver and manager (in such capacity, the "**Receiver**") of all the assets, undertakings, and property of Lake Trading Welland Inc. (the "**Debtor**") will make a motion to a Judge of the Superior Court of Justice on **Friday, November 15, 2024 at 10:00 a.m.**, at 102 East Main Street, Welland, Ontario.

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

THE MOTION IS FOR AN ORDER, among other things:

1. if necessary, abridging the time for service and filing of this notice of motion and motion record;
2. approving a sale process (the "**Sale Process**") for the sale of the real property located at 90 Lincoln Street, Welland, Ontario (the "**Real Property**");
3. approving an agreement of purchase and sale dated October 21, 2024 (the "**Stalking Horse APS**") between the Receiver and Suthaharan Gunasegaram (for a company to be

incorporated), as purchaser, solely for the purpose of constituting the “stalking horse bid” in the Sale Process;

4. sealing the Confidential Appendices to the First Report of the Receiver;
5. approving the fees and disbursements of the Receiver and its counsel; and
6. Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. Capitalized terms used herein and not otherwise defined have the meaning given to them in the first report of the Receiver dated November 5, 2024 (the “**First Report**”);
2. Pursuant to an order dated May 24, 2024 (the “**Receivership Order**”), the Ontario Superior Court of Justice (the “**Court**”) appointed Spergel as receiver and manager of the Debtor;

Sale Process

3. The primary purpose of these receivership proceedings is to conduct the Sale Process to market the Real Property for sale;
4. The Receiver intends to, subject to this motion, prepare appropriate marketing materials including a teaser, form of confidentiality agreement and confidential information memorandum – notifying prospective purchasers of the existence of the Sale Process and inviting them to express their interest in making an offer in respect of the Real Property;
5. Bidders will be given an opportunity to conduct diligence and submit bids on or January 3, 2025 (the “**Bid Deadline**”);

6. Any bids must adhere to the criteria set out in the Sale Process including, without, limitation, a purchase price of at least \$100,000 higher than the Stalking Horse Bid of \$5.7 million and a 5% deposit;
7. Upon receipt of offers, the Receiver shall notify each of the bidders who submitted a Superior Bid and the Stalking Horse Bidder that one or more Superior Bids were received and shall invite each of them to submit a final offer which shall meet all of the bid criteria of a Superior Bid by 5:00pm (Eastern Time) on the January 6, 2024;

The Stalking Horse APS

8. The key terms and conditions of the Stalking Horse APS are provided below:
 - (a) Purchaser: Suthaharan Gunasegaram (for a company to be incorporated);
 - (b) Purchased Assets: the Real Property;
 - (c) Excluded Assets: the Seller shall not sell to the Purchaser and the Purchaser shall not purchase from the Seller any assets other than the Purchased Assets;
 - (d) Purchase Price: \$5.7 million, to be satisfied by way of \$100,000 cash and a vendor-take-back mortgage of \$5.6 million;
 - (e) Material Conditions: the Stalking Horse APS is subject to standard conditions, as well as a condition that a fuel supply agreement in favour of Parkland Fuel Corporation registered against the Real Property be vested off title;
 - (f) Closing Date: immediately after the expiry of the appeal period for the anticipated approval and vesting order;

9. The Receiver believes that the proposed Sale Process and acceptance of the Stalking Horse APS solely for the purpose of acting as a stalking horse is reasonable and should be approved for, among other things, the following reasons:

- (a) the price established for the Stalking Horse APS is reasonable in the circumstances and for the reasons set out in the First Report;
- (b) the Stalking Horse APS does not include a break fee or expense reimbursement;
- (c) the Sale Process is reasonable and appropriate and is supported by the applicant;
and
- (d) the Sale Process provides flexibility in order to allow the Receiver to maximize value for the Real Property;

General

10. Rules 1.04, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*; and

11. Such further and other grounds as counsel may advise and this Honourable Court may deem just;

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

- 1. The First Report of the Receiver dated November 5, 2024; and
- 2. Such further and other evidence as counsel may advise and this Court may permit.

November 5, 2024

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ALLY AWADH

LAKE TRADING WELLAND INC.

Applicant

-and-

Respondents

Court File No.: CV-24-00014901-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Welland, Ontario

**NOTICE OF MOTION
(Sale Process Order)**

GOLDMAN SLOAN NASH & HABER LLP

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Tab B

Court File No. CV-24-00014901-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN :

ALLY AWADH

Applicant

- and -

LAKE TRADING WELLAND INC.

Respondent

**FIRST REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF
LAKE TRADING WELLAND INC.**

November 5, 2024

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3. Sale Process
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7. Interim Statement of Receipt and Disbursements

CONFIDENTIAL APPENDICES

1. Appraisal Report from Colliers
2. Letter of opinion from Avison Young

I. APPOINTMENT AND BACKGROUND

- a) This first report (this “**First Report**”) is filed by msi Spergel inc. (“**Spergel**”) in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of Lake Trading Welland Inc. (“**Welland**” or the “**Debtor**”).
- b) Welland is a Canadian owned, private corporation which carried on business as a Pioneer branded gas bar and convenience store. The Debtor’s primary asset consists of the real property located at 90 Lincoln Street, Welland, Ontario (the “**Real Property**”) which includes a Pioneer branded gas station. The Real Property is owned by the Debtor. The Debtor ceased operating the gas station in 2022.
- c) On May 24, 2024, Ally Awadh (“**Awadh**”), a secured creditor of the Debtor, moved by way of an application in the Ontario Superior Court of Justice (the “**Court**”) for a Court order appointing Spergel as the Receiver, without security, of all of the assets, undertakings and properties, including the Real Property (collectively, the “**Property**”) of the Debtor. On the same day, the Court granted an order appointing Spergel as Receiver of the Property of the Debtor (the “**Receivership Order**”). Attached as **Appendices “1” and “2”** to this First Report are copies of the Receivership Order and the endorsement of the Honourable Madam Justice Gambacorta dated May 24, 2024.
- d) The Receiver retained Goldman Sloan Nash & Haber LLP (the “**Receiver’s Counsel**”) as its independent legal counsel.

II. PURPOSE OF THIS FIRST REPORT AND DISCLAIMER

- 5. The purpose of this First Report is to advise the Court as to the steps taken by the Receiver to date in these proceedings and to seek Orders from the Court including:

- a) approving this First Report and the actions and activities of the Receiver described herein and that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the First Report;
- b) approving the Receiver's Interim Statement of Receipts and Disbursements as at November 5, 2024;
- c) approving a sales process to be conducted by the Receiver, and to enter into the stalking horse asset purchase agreement (the "**Stalking Horse Agreement**") between the Receiver, as vendor, and Suthaharan Gunasegaram (for a company to be incorporated) dated October 21, 2024 (the "**Stalking Horse Bidder**");
- d) sealing the Confidential Appendices (as defined herein) to the First Report; and
- e) approving the fees and disbursements of the Receiver from May 8, 2024 to and including September 30, 2024 and the Receiver's Counsel from May 8, 2024 to and including October 31, 2024 and the payment of same; and
- f) such further and other relief as counsel may advise and this Court may permit.

Disclaimer

- 6. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction, or use of this First Report for any other purpose.
- 7. In preparing this First Report, the Receiver has relied upon certain information

provided to it by Awadh. The Receiver has not performed an audit or verification of any information it received for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information.

8. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

III. ACTIONS OF THE RECEIVER

9. A copy of the Receivership Order was provided to the Debtor by the Receiver. In addition, the Receiver prepared its statutory Notice and Statement of the Receiver in accordance with sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act (Canada)* (“**BIA**”) and mailed a copy to all creditors of the Debtor known to the Receiver and the Office of the Superintendent of Bankruptcy.
10. Immediately upon its appointment, the Receiver directly or through the Receiver’s Counsel attended to the following:
 - a) secured possession of the Real Property and attended to all necessary repairs where applicable;
 - b) obtained the necessary books and records from the Debtor;
 - c) arranged for site attendances twice weekly;
 - d) arranged utility accounts to be directed to the Receiver;
 - e) arranged for the registration of the Receiver’s interest on the title to the Real Property;
 - f) arranged for insurance in the name of the Receiver;
 - g) opened a dedicated trust account for the receivership and dealt with existing accounts;

- h) arranged for an independent appraisal of the Real Property and a separate opinion of value from reputable real estate firms;
- i) obtained a current Phase II Environmental Assessment of the Real Property;
- j) engaged through the Receiver's Counsel with Parkland Corporation, with respect to its fuel supply agreement for Pioneer-Branded fuel; and
- k) communicated with known creditors of the Debtor.

IV. PARKLAND FUEL CORPORATION

- 11. The fuel supplier to Welland was Pioneer Energy ("Pioneer"), a division of Parkland Industries Ltd. ("**Parkland**").
- 12. Welland entered through an assumption agreement into a fuel supply agreement with Parkland for the supply of fuel (the "**Parkland FSA**"). Parkland advanced a forgivable loan of \$250,000 towards the cost of completing dealer improvements in accordance with the Parkland FSA. Parkland's forgivable loan is secured by a first charge on the Real Property and has been amortized during the years that the gas station was in operation. The current unamortized portion of the loan is \$101,724.

V. THE PROPOSED SALE PROCESS

- 13. Pursuant to the terms of the Receivership Order, the Receiver is authorized 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. The sole asset of Welland is the Real Property.
- 14. The Receiver engaged the services of Colliers International Realty Advisors

Inc. (“**Colliers**”) to attend at and conduct full narrative appraisals of the Real Property (the “**Colliers’ Appraisal**”). In addition, the Receiver sought and received an opinion of value of the Real Property from Avison Young Commercial Real Estate Services LP (the “**Avison Opinion**”). Copies of the Colliers’ Appraisal and the Avison Opinion are attached to this First Report as **Confidential Appendices “1”** and **“2”** (collectively, the “**Confidential Appendices**”), respectively.

15. In order to provide third parties with an opportunity to consider an acquisition of the Property, the Receiver is proposing to market the Property for a period of approximately five (5) weeks (the “**Sale Process**”). The Receiver has developed the Sale Process in consultation with Awadh, a copy of which is appended as **Appendix “3”** to this First Report.
16. The Sale Process is designed to ensure that the marketing process is fair and reasonable, and prospective interested parties have the ability to make an offer to purchase the Property.
17. The Sale Process contemplates approval of a Stalking Horse Agreement between the Receiver, as vendor, and the Stalking Horse Bidder. Awadh, the second senior secured creditor of the Debtor, is in support of the Receiver entering into the Stalking Horse Agreement.
18. The principal elements of the Sale Process are as follows (defined terms used in this section and not otherwise defined herein have the meaning ascribed to them in the Sale Process):
 - a) immediately after the Sale Process being approved by the Court, the Receiver will publish notice of the Sale Process in any publications considered appropriate by the Receiver;
 - b) as soon as is reasonably possible, the Receiver will prepare a Teaser

Letter notifying prospective purchasers of the existence of the Sale Process and inviting prospective purchasers to express their interest in making an offer in respect of the Assets pursuant to the terms of the Sale Process;

- c) Potential Bidders that wish to commence due diligence will be required to execute a non-disclosure agreement (“NDA”);
- d) Upon execution of the NDA, the Receiver will determine if the Interested Party has met the Participant Requirements underlying the Sale Process and deem them a “Qualified Bidder”;
- e) The Receiver will prepare a confidential information memorandum (“CIM”), which will provide, among other things, information considered relevant to the Sale Process. The CIM will be sent to each Qualified Bidder;
- f) The Receiver, subject to competitive and other business considerations, may give each Qualified Bidder access to due diligence materials and information relating to the Debtor, at its sole discretion;
- g) Due diligence access may include access to an electronic data room (“Data Room”), on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Receiver may agree;
- h) A Superior Bid must be submitted in writing to the Receiver by no later than 5:00pm (Eastern Time) on January 3, 2025 (“Bid Deadline”);
- i) If one or more Interested Parties submits a Superior Bid on or before the Bid Deadline, the Receiver shall notify each of the bidders who

submitted a Superior Bid and the Stalking Horse Bidder that one or more Superior Bids were received and shall invite each of them to submit a final offer which shall meet all of the bid criteria of a Superior Bid by 5:00pm (Eastern Time) on the January 6, 2024;

- j) A Superior Bid must comply, among other things, with the following minimum criteria:
- i. The bid is an offer to purchase off of the Assets and has cash consideration of at least one hundred thousand dollars (\$100,000) higher than the Stalking Horse Bid;
 - ii. Provides a cash deposit in the amount of not less than five percent (5%) of the Purchase Price offered by the Qualified Bidder;
 - iii. Includes a letter of acknowledgement stating that the Qualified Bidder's offer is irrevocable and open for acceptance until January 17, 2025 and specify that the Closing shall take place prior to February 4, 2025;
 - iv. The bid must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse Bid;
 - v. The bid must be substantially in the form of the Stalking Horse Agreement, with any changes to the offer black-lined against the Stalking Horse Bid;
 - vi. The bid must be supported, in the sole discretion of the Receiver, by evidence of financing sufficient to close a transaction within the timelines detailed in the Sale Process; and
 - vii. It is received by the Receiver by the Bid Deadline.

19. The Receiver notes that the proposed timeframe set out above is condensed, but with the support of Awadh and with the Stalking Horse Agreement in hand, the Receiver believes that the deadlines proposed in the Sale Process are reasonable in the circumstances.

20. The Receiver is of the view that, in the circumstances, the proposed Sale Process represents the best opportunity to identify a sale for the Debtor's Assets and the best potential to maximize value for the benefit of stakeholders.

21. Other terms of the Sale Process include:
 - a) The sale of the Property will be on an "as is, where is" basis without representations or warranties of any kind, nature, or description by the Receiver, or any of its directors, officers, partners, employees, agents, advisors, or estates, except to the extent as may be set forth in a Superior Bid and approved by the Court;

 - b) By submitting a bid, each Interested Party shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in the Sale Process or as set forth in a Superior Bid and approved by the Court;

 - c) The Receiver shall have the right to deny or limit any parties access to confidential information at any time, which may include denying access to confidential information, if in the Receiver's sole discretion and views such

- party is not likely to be serious about submitting a bid for the Property; and
- d) The Receiver makes no representation or warranty as to the information to be provided through the due diligence process or otherwise;

VI. STALKING HORSE AGREEMENT

22. The Receiver has negotiated the Stalking Horse Agreement with the Stalking Horse Bidder, in the amount of \$5,700,000. The Receiver is satisfied that, when compared to the values estimated in the Colliers' Appraisal and the Avison Opinion, the Stalking Horse Agreement exceeds those valuations. Accordingly, unless a Superior Bid (as defined in the Sale Process) is received through the Sale Process then the transaction contemplated by the Stalking Horse Agreements would be completed. A copy of the Stalking Horse Agreement is attached hereto as **Appendix "4"**.
23. The Stalking Horse Agreement contemplates the purchase of the Real Property, the Leases (as defined in the Stalking Horse Agreement) and the interest of the Debtor in same.
24. The salient terms of the Stalking Horse Agreement are as follows (defined terms used in this section and not otherwise defined herein have the meaning ascribed to them in the Stalking Horse Agreement):
- a) The Purchase Price is the aggregate of the following amounts:
- i) A cash deposit of \$100,000 with the offer, augmented by a third-party deposit of \$150,000 before the filing with the Court of this First Report; and
- ii) The amount of \$5,600,000 in the form of a 2.14286% Vendor Take-Back first mortgage, payable \$10,000 interest only for 24 months,

the principal then being due 24 months from the date of closing.

VII. REQUEST FOR A SEALING ORDER

25. The Receiver is seeking a sealing order in respect of the Confidential Appendices to this First Report as they each contain commercially sensitive information, the release of which prior to completion of a transaction would be prejudicial to the stakeholders of the Debtor's estate. The requested sealing of the Confidential Appendices is for a temporary period, until the earlier of the completion of a transaction or further Order of this Court.

VIII. PROFESSIONAL FEES AND DISBURSEMENTS

26. Attached to this First Report as **Appendix "5"** is the Affidavit of Mukul Manchanda sworn November 5, 2024 (the "**Receiver's Fee Affidavit**") which incorporates by reference a copy of the Receiver's time dockets pertaining to the receivership of Welland to and including September 30, 2024 in the amount of \$28,479.18 inclusive of disbursements and HST. This represents a total of 50 hours at an average hourly rate of \$503.80 excluding HST.
27. Attached to this First Report as **Appendix "6"** is the Affidavit of Robert Drake sworn November 5, 2024 (the "**Receiver's Counsel's Fee Affidavit**") which incorporates by reference a copy of the Receiver's Counsel's time dockets for the period to and including October 31, 2024 in the amount of \$27,492.94 inclusive of disbursements and HST.
28. The Receiver has reviewed the accounts of the Receiver's Counsel and is of the view that all the work set out in these accounts was carried out and was necessary, that the hourly rates of the lawyers who worked on this matter were reasonable in light of the services required and that the services were carried

out by lawyers with the appropriate level of experience.

IX. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

29. Attached to this First Report as **Appendix "7"** is a copy of the Interim Statement of Receipts and Disbursements of the Receiver as of November 5, 2024.

X. RECOMMENDATIONS

30. The Receiver respectfully requests that this Honourable Court grant the relief sought in this First Report.

All of which is respectfully submitted.

Dated at Toronto, this 5th day of November, 2024

msi Spergel inc.,
solely in its capacity as court-appointed
Receiver of Lake Trading Welland Inc.
and not in its personal or corporate capacity

Per:



Mukul Manchanda, CPA, CIRP, LIT
Managing Partner

Title	AALAKW-R First Report to Court
File name	AALAKW-R_First_Report_of_Receiver.pdf
Document ID	dce815008fd85bbbee978a728a62864a1095e711d
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document history



SENT

11 / 06 / 2024

11:25:39 UTC-5

Sent for signature to Mukul Manchanda (mmanchanda@spergel.ca) from msispergelinc@gmail.com
IP: 104.171.204.20



VIEWED

11 / 06 / 2024

11:26:21 UTC-5

Viewed by Mukul Manchanda (mmanchanda@spergel.ca)
IP: 152.39.185.174



SIGNED

11 / 06 / 2024

11:26:55 UTC-5

Signed by Mukul Manchanda (mmanchanda@spergel.ca)
IP: 174.119.218.52



COMPLETED

11 / 06 / 2024

11:26:55 UTC-5

The document has been completed.

Tab 1

Court File No. CV-24-00014901-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE)
JUSTICE)
Justice G. Gambacorta)

FRIDAY, THE 24TH
DAY OF MAY, 2024



ALLY AWADH

Applicant

- and -

LAKE TRADING WELLAND INC.

Respondent

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 msi Spergel inc. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Lake Trading Welland Inc. (the "Debtor") including the real property described at Schedule "A" hereto and owned by the Debtor (the "Real Property"), was heard this day at 102 East Main Street, Welland, Ontario L3B 3W6.

ON READING the affidavit of Ally Awadh sworn May 3, 2024 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing although duly served as appears from the affidavit of service of Isabelle Stacey sworn May 9, 2024 and of Emma Benaway sworn May 10, 2024 and on reading the consent of msi Spergel inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Applicant and the Application 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, msi Spergel inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

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

- (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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 Debtor, 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 Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- i. without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$150,000.00; 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;
 - iii. and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing,

the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its 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 Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege

attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 Debtor 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 Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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 Debtor, 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 Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's 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 Debtor 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 Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and

limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the 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 \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in

favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at [https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-%20commercial/#Part III The E-Service List](https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-%20commercial/#Part_III_The_E-Service_List)) 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 '<https://www.spergelcorporate.ca/engagements/>'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the

records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

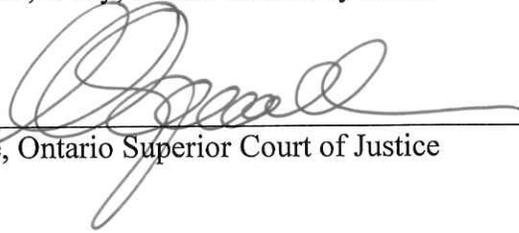
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

31. THIS COURT ORDERS that the 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 Debtor's 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.



Justice, Ontario Superior Court of Justice

SCHEDULE "A"

REAL PROPERTY

PT BLK M, PL 1649 NOW KNOWN AS PL 564 BEING PT 1 59R14582;; SUBJECT TO AN EASEMENT OVER PT BLK M PL 564, PT 1 59R14582 IN FAVOUR OF PT TWP LT 92, THOROLD AS IN AA90798 AS IN SN349002; SUBJECT TO AN EASEMENT OVER PT BLK M PL 564, PT 1 59R14725 IN FAVOUR OF PT LT 21 CON 4 CROWLAND AS IN BB79890 AS IN SN360631; CITY OF WELLAND (64103-0270 LT)

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "Receiver") of the assets, undertakings and properties of Lake Trading Welland Inc. 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 (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __--_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

msi Spergel inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Tab 2



ONTARIO SUPERIOR COURT OF JUSTICE
Welland

ENDORSEMENT / ORDER

CV-24-00014901-0000

Court File No.

BETWEEN

ALLY AWADH

Plaintiff(s)/Applicant(s)

- and -

LAKE TRADING WELLAND INC.

Defendant(s)/Respondent(s)

BEFORE: Justice G. Gambacorta

HELD BY: In person Videoconference Teleconference In writing Hybrid

DATE: May 24, 2024 at 10:00am

EVENT TYPE: Hearing - application on notice

APPEARING: (Names and email addresses)

Plaintiff(s)/Applicant(s): ALLY AWADH	Present	<input type="checkbox"/>
Representative: MELINDA VINE (istacey@harrisonpensa.com) <i>DiFrancia</i>	Present	<input checked="" type="checkbox"/>
Defendant(s)/Respondent(s): LAKE TRADING WELLAND INC. (dileep.p@lakeoilgroup.com)	Present	<input type="checkbox"/>
Representative:	Present	<input type="checkbox"/>
Third Party or Parties	Present	<input type="checkbox"/>
Representative: <i>Mr. Kuhl (Trustee)</i>	Present	<input type="checkbox"/>

RELIEF REQUESTED:

Per notice of motion/application Per notice of appeal Other (specify):

DISPOSITION:

Order to go in the form of consent / draft order submitted

CV-24-00014901-0000

Court File No.

- Order to go as asked in paragraph(s) _____ of relief requested
- Costs of \$ _____ on a _____ indemnity basis are payable by _____ to _____ by _____, 20__.
- Parties to provide submissions as to costs of no more than ___ pages by _____, 20__.
- Parties to attend before me to make oral submissions on costs on _____, 20__.
- Other (specify below):
- No formal order need be taken out.

S/m list

BRIEF REASONS (if any):

*No resp. materials to them
 consent of one party
 For oral reasons given,
 OTC appra receiver in acc
 w/ draft order provided +
 signed by me.*

MAY 24 2024

Date

, 20__



Signature of Judicial Official

Tab 3

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

On May 24, 2024, msi Spergel inc. was appointed as receiver and manager (in such capacities, the “Receiver”) of all of the assets, undertakings, and properties of Lake Trading Welland Inc. (the “**Company**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

On a court motion scheduled for November 15, 2024, the Receiver intends to request the Court’s approval of, among other things, a sale and investment solicitation process (the “**SISP**”) as set forth herein and in the Stalking Horse Bid (the “**SISP Order**”).

The purpose of the SISP is to seek a Winning Bid (as defined herein), and to complete the transaction contemplated by any such bid. Set forth below are the procedures (the “**SISP Procedures**”) that shall govern the SISP and any transactions consummated as a result thereof.

1. Defined Terms

The following capitalized terms have the following meanings when used in this SISP:

“**Acknowledgment of the SISP**” means an acknowledgment of the SISP in the form attached as Schedule “A”;

“**Assets**” means the assets, undertakings and property of the Company;

“**Bid Deadline**” has the meaning given to it in Section 8;

“**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario, on which commercial banks in Toronto, Ontario are open for business;

“**Company**” has the meaning given to it in the Introduction;

“**Confidentiality Agreement**” means the confidentiality agreement entered into between the Receiver and an Interested Party;

“**Court**” means the Ontario Superior Court of Justice;

“**Data Room**” means an electronic data room created and maintained by the Receiver containing confidential information in respect of the Assets;

“**Interested Party**” has the meaning given to it in Section 2;

“**Known Potential Bidders**” has the meaning give to it in Section 5(a);

“**Receiver**” has the meaning given to it in the Introduction;

“**Participant Requirements**” has the meaning given to it in Section 9 hereof;

“**Sale Approval Hearing**” has the meaning given to it in Section 12;

“**SISP**” has the meaning given to it in the Introduction;

“**SISP Procedures**” has the meaning given to it in the Introduction;

“**Stalking Horse Bid**” shall mean the agreement of purchase and sale between the Receiver and Suthaharan Gunasegaram (for a company to be incorporated) dated October 21, 2024

“**Superior Bid**” has the meaning given to it in Section 10;

“**Superior Bidder**” means a bidder submitting a Superior Bid;

“**Winning Bid**” has the meaning given to it in Section 11;

“**Winning Bidder**” has the meaning given to it in Section 11; and

“**Teaser Letter**” has the meaning given to it in Section 5(b).

2. **The SISP Procedures**

The SISP shall consist of one phase. Any interested party (an “**Interested Party**”) that meets the preliminary participant requirements set out herein, including executing a Confidentiality Agreement and an Acknowledgment of the SISP, shall be provided with access to the Data Room to prepare and submit a Superior Bid by the Bid Deadline.

3. **“As Is, Where Is”**

The sale of the Assets of the Company on an “as is, where is” basis and without surviving representations or warranties of any kind, nature or description by the Company, the Receiver or any of their respective employees, officers, directors, agents or advisors, except to the extent set forth in the relevant definitive closing documents with a Winning Bidder.

By participating in this process, each Interested Party is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Assets of the Company prior to making its Binding Bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding the Assets or the Company in making its Superior Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets or the Company or the completeness of any information provided in connection therewith, except as expressly stated in the terms of any definitive transaction documents.

4. Timeline

The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement of SISP	November 15, 2024
Distribution of the Teaser Letter Confidentiality Agreement and Acknowledgement of SISP	As soon as reasonably practicable following the date on which the SISP Order is granted
Superior Bid Deadline (5:00 PM (Eastern Time))	January 3, 2025
Selection of Winning Bid	January 6, 2025
Sale Approval Hearing	As soon as practicable
Closing Date Deadline	The first business day following the date upon which the time to appeal the Approval and Vesting Order has expired.

5. Solicitation of Interest

As soon as is reasonably practicable:

- (a) the Receiver will prepare a list of potential bidders, including: (i) parties that have approached the Receiver indicating an interest in the opportunity; and (ii) strategic parties whom the Receiver believe may be interested in purchasing the Assets pursuant to the SISP (collectively, “**Known Potential Bidders**”); and
- (b) the Receiver will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the SISP Procedures, and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a Confidentiality Agreement, in each case in form and substance satisfactory to the Company.

The Receiver will send the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP to all Known Potential Bidders as soon as reasonably practicable following the date on which the SISP Order is granted and to any other party who requests a copy of the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP, or who is identified to the Receiver as a potential bidder, as soon as reasonably practicable after such request or identification, as applicable.

6. **Role of the Receiver**

The Receiver's responsibilities pursuant to the SISP include:

- (a) running of the SISP Procedures; and
- (b) reporting to the Court in connection with the SISP Procedures, including the bidding procedures described in this SISP, and the closing of the transaction contemplated in the Winning Bid; and

7. **Access to Due Diligence Materials**

Only Interested Parties that satisfy the Participant Requirements will be eligible to receive access to the Data Room.

The Receiver will be responsible for the coordination of all reasonable requests for additional information and due diligence access from Interested Parties. The Receiver shall not be obligated to furnish any due diligence information after the Bid Deadline, provided however that the Receiver may, but is not obligated to, provide further information including, without limitation, financial information to the Winning Bidder. The Receiver is not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Assets and the Business, or an investment in the Company.

8. **Bid Deadlines**

An Interested Party that wishes to make a Superior Bid must deliver an executed copy of a Superior Bid to the Receiver, at the email address specified in Schedule "B", so as to be received by it **not later than 5:00 p.m. (Eastern Time) on January 3, 2025**, or such other later date or time as may be agreed by the Receiver, in consultation with the Company (the "**Bid Deadline**").

9. **Participant Requirements.**

To participate in the SISP and to otherwise be considered for any purpose hereunder, each Interested Party must provide the Receiver with an executed copy of each of the following prior to being provided with access to the Data Room: (a) a Confidentiality Agreement; and (b) an Acknowledgement of the SISP (collectively, the "**Participant Requirements**").

10. **Superior Bid Requirements**

Only Interested Parties who submit a Superior Bid shall be considered by the Receiver. To be considered a Superior Bid, a Superior Bid must be an offer to purchase all of the Assets, which has cash consideration at least one hundred thousand dollars (\$100,000) higher than the Stalking Horse Bid, provided that no offer shall qualify as a Superior Bid unless it meets, among other things, the following minimum criteria:

- (a) the offer must be accompanied by a cash deposit which is at least equal to five (5%) percent of the Purchase Price;
- (b) the offer must be irrevocable until January 17, 2025 and specify that the Closing shall take place prior to February 4, 2025;
- (c) the offer must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse Bid;
- (d) the offer must be substantially in the form of the Stalking Horse Bid, with any changes to the offer black-lined against the Stalking Horse Bid;
- (e) the offer must be supported, in the sole discretion of the Receiver, by evidence of financing sufficient to close a transaction within the timelines detailed in this SISP; and
- (f) the Superior Bid is received by the Receiver, at the address specified in Schedule “B” hereto (including by email) on or before the Bid Deadline.

11. Evaluation of Bids and Subsequent Actions

The Receiver shall evaluate any Superior Bids on various grounds with a view to selecting the best or otherwise highest bid, including, but not limited to: (a) the purchase price or imputed or projected value, (b) the treatment of creditors and related implied recovery for creditors (in each case, as applicable), (c) the assumed liabilities, (d) the certainty of closing the transactions contemplated by the Stalking Horse Bid or Superior Bids, (e) any delay or other risks (including closing risks) in connection with the bids, and (g) any other factors considered to be relevant by the Receiver.

In the event that one or more persons submits a Superior Bid on or before the Bid Deadline, the Receiver shall notify each of the bidders who submitted a Superior Bid and the Stalking Horse Bidder that one or more Superior Bids were received and shall invite each of them to submit a final offer which shall meet all of the bid criteria of a Superior Bid (each a “**Final Offer**” and, collectively, the “**Final Offers**”) by 5:00 p.m. (Toronto time) on the 6th day of January, 2025 (the “**Final Offer Deadline**”).

The bid selected by the Receiver as the best or highest bid based on the factors enumerated herein, shall constitute the “**Winning Bid**” and such bidder, the “**Winning Bidder**”.

Following the selection of the Winning Bid, the Receiver shall take such steps as may be necessary to finalize definitive transaction documents for the Winning Bid with the Winning Bidder prior to Court approval of the Winning Bid.

APPROVAL MOTION

12. **Approval Motion**

The Company shall use reasonable efforts to bring a motion to the Court to approve the Winning Bid as soon as practicable following the determination by the Receiver of the Winning Bidder and the execution of definitive documents (the “**Sale Approval Hearing**”). The Receiver will be deemed to have accepted the Winning Bid only when it has been approved by the Court. All other bids (other than the Winning Bid shall be deemed rejected by the Receiver on and as of the date of approval of the Winning Bid by the Court.

MISCELLANEOUS

13. **Information From Interested Parties**

Each Interested Party shall comply with all reasonable requests for additional information by the Receiver regarding such Interested Party and its proposed transaction. Failure by an Interested Party to comply with requests for additional information will be a basis for the Receiver to determine that the Interested Party is not a Superior Bidder.

14. **Deposits**

All deposits shall be held by the Receiver in a single interest-bearing account designated solely for such purpose. A deposit made by the Winning Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Winning Bid. Deposits, and any interest earned thereon, paid by bidders not selected as a Winning Bidder shall be returned to such bidders as soon as practicable, and in any event no later than seven (7) Business Days following Court approval of the Winning Bid.

15. **Modifications and Termination**

The Receiver shall have the right to adopt such other rules for the SISP Procedures (including rules that may depart from those set forth herein) that will better promote the sale of the Purchased Assets. The Receiver shall apply to the Court if it wishes to materially modify or terminate the process set out in this SISP. For certainty, any amendments to the Bid Deadline or other dates set out in this SISP shall not constitute a material modification, provided that any extensions to the Bid Deadline are not longer than seven calendar days.

16. **Other**

The Receiver shall not be liable for any claim for a brokerage commission, finder’s fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Winning Bid. Any such claim shall be the sole liability of the parties

that submitted such Winning Bid.

The Receiver shall not have any liability whatsoever to any person or party, including without limitation, to any Known Potential Bidder, Interested Party, Superior Bidder, a Winning Bidder, or any creditor, or other stakeholder, for any act or omission related to this SISP. By submitting a bid, each Interested Party shall be deemed to have agreed that it has no claim against the Receiver for any reason, matter or thing whatsoever related to this SISP.

SCHEDULE “A”**Acknowledgement of the SISP**

The undersigned hereby acknowledges receipt of the Sale and Investor Solicitation Process approved by the Order of the Honourable Justice _____ of the Ontario Superior Court of Justice dated _____ (the “SISP”) and that compliance with the terms and provisions of the SISP is required in order to participate in the SISP and for any bids to be considered by the Receiver.

This _____ day of _____, 2024

[NAME]

By:

[Signing Officer]

msi Spergel Inc.

200 Yorkland Blvd., Suite 1100 Toronto, Ontario M2J 5C1

SCHEDULE “B” ADDRESS PARTICULARS

Attention: Frank Kisluk | Mukul Manchanda
Phone: (647) 288-7636 | (416) 498-4314
Email: fkisluk@spergel.ca | mmanchanda@spergel.ca

With a copy to:

Goldman Sloan Nash & Haber LLP
480 University Ave., Suite 1700
Toronto, ON M5G 1V2

Attention: Robert Drake
Phone: 416 597 5014
Email: drake@gsnh.com

Tab 4

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated as of the 21st day of October, 2024.

BETWEEN:

MSI SPERGEL INC., in its capacity as Court-appointed receiver of the assets, undertakings and properties of **LAKE TRADING WELLAND INC.** and not in its personal or corporate capacity and without personal or corporate liability.

(the “Vendor”)

OF THE FIRST PART

- and -

Suthaharan Gunasegaram (to be incorporated)

(the “Purchaser”)

OF THE SECOND PART

WHEREAS

- A. Pursuant to the Receivership Order, msi Spergel Inc. was appointed receiver to, among other things, market and sell the Purchased Assets;
- B. The Vendor will obtain the Sales Process Order (as defined below) to authorize the Vendor to enter into this Agreement and conduct a sales process with respect to the Purchased Assets (as defined below);
- C. the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, the Purchased Assets on the terms and conditions set out herein.

IN CONSIDERATION of the mutual agreements contained in this Agreement, the receipt and sufficiency of which are acknowledged by each of the Vendor and the Purchaser, the Vendor and the Purchaser agree as follows:

1. DEFINITIONS

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) **“Act”** means, for purposes of Section 20 hereof only, the *Excise Tax Act* (Canada);
- (b) **“Agreement”** means this agreement of purchase and sale, together with the attached schedules;
- (c) **“Approval and Vesting Order”** means an order of the Court substantially in the form of the template Approval and Vesting Order for use on the Commercial List of the Court approving the transaction provided for in this Agreement and ordering that the Debtor’s right, title and interest in the Purchased Assets be vested in the Purchaser free and clear of encumbrances except for Permitted Encumbrances upon satisfaction by the Purchaser of its obligations under this Agreement, a draft of which is attached hereto at **Schedule “D”**;
- (d) **“Assignment of Contracts”** means an assignment and assumption of the right, title and interest and obligations of the Debtor in the Assumed Contracts to the Purchaser in the form mutually agreed upon between the Vendor and the Purchaser, each acting reasonably;
- (e) **“Buildings”** means the buildings situate on the Lands, including all improvements thereto and all fixtures forming a part thereof;
- (f) **“Business Day”** means any day other than a Saturday or a Sunday or a statutory holiday in the Province of Ontario;
- (g) **“Closing”** shall have the meaning ascribed to it in Section 10 hereof;
- (h) **“Closing Adjustments”** shall have the meaning ascribed to it in Section 10(a) hereof;
- (i) **“Closing Documents”** means the Vendor’s closing deliveries and the Purchaser’s Closing deliveries together as set forth in Sections 17 and 18 hereof;
- (j) **“Court”** means the Ontario Superior Court of Justice;
- (k) **“Damages”** shall have the meaning ascribed to it in Section 19(h) hereof;
- (l) **“Date of Closing”** shall have the meaning ascribed to it in Section 12 hereof;
- (m) **“Debtor”** mean, Lake Trading Welland Inc.;

- (n) **“Deposit”** shall have the meaning ascribed to it in Section 7(a) hereof;
- (o) **“DRA”** shall have the meaning ascribed to it in Section 11(a)(i) hereof;
- (p) **“Environmental Activity”** means any past or present activity, event or circumstance in respect of any Hazardous Materials, including its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation or its release, escape, leaching, dispersal, emission, discharge or migration into the natural environment, including movement through or in the air, soil, subsoil, surface water or ground water, or in indoor spaces;
- (q) **“Environmental Law”** means all applicable federal, provincial, municipal and local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives, authorizations, rules, codes, permits, licenses, agreement or other governmental restrictions having the force of law relating to the environment, occupational health and safety, health protection, Hazardous Materials or any Environmental Activity;
- (r) **“ETA Election”** shall have the meaning ascribed to it in Section 21(c) hereof;
- (s) **“Excluded Assets”** means
 - (i) any goods and chattels located on the Lands and owned by a third party;
- (t) **“Government Authority”** means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the transaction contemplated in this Agreement and/or one or both of the parties hereto and shall include a board or association of insurance underwriters;
- (u) **“Hazardous Materials”** means any substance, material, matter or thing defined or regulated by any Environmental Law, contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any “contaminants”, “dangerous substances”, “hazardous materials”, “hazardous substances”, “hazardous wastes”, “industrial wastes”, “liquid wastes”, “pollutants” and “toxic substances”, all as defined in, referred to or contemplated in any Environmental Law and, not to limit the generality of the foregoing, includes asbestos, mould, urea formaldehyde foam insulation and mono- or poly-chlorinated biphenyl wastes;

- (v) **"HST"** shall have the meaning ascribed thereto in Section 21(a) hereof;
- (w) **"ICA"** shall have the meaning ascribed thereto in Section 14(b) hereof; **"Intentionally Deleted"**
- (x) **"Lands"** means the lands and premises municipally known as 90 Lincoln Street, Welland, Ontario as legally described on **Schedule "A"** hereto;
- (y) **"Leases"** means the leases in favour of Maruti Grimsby Inc., and 100080023 Ontario Ltd., respectively
- (z) **"Material Damage"** shall have the meaning ascribed to it in Section 12 hereof;
- (aa) **"Permitted Encumbrances"** means the encumbrances listed in **Schedule "B"** hereof; "Intentionally Deleted"
- (bb) **"Purchase Price"** shall have the meaning ascribed thereto in Section 7 hereof;
- (cc) **"Purchased Assets"** means, collectively:
 - (i) The Lands; and
 - (ii) The Buildings; and
 - (iii) The Leases.

and the interest of the Debtor in same;
- (dd) **"Purchaser"** means Suthaharan Gunasegaram (to be incorporated);
- (ee) **"Purchaser's Solicitor"** means Gagan Law Professional Corporation;
- (ff) **"Receivership Order"** means the order of the Honourable Justice Gambactorta dated the 24th day of May 2024 in the receivership proceeding of the Debtor whereby the Vendor was appointed receiver of the assets, undertakings and properties of the Debtor;
- (gg) **"Registry Office"** shall have the meaning ascribed to it in Section 11(a) hereof;
- (hh) **"Requisition Date"** shall mean January 23, 2025;
- (ii) **"Sales Process Order"** means an order to be made by the Court upon terms acceptable to the parties hereto, each acting reasonably, that alone or in combination, among other things authorizes the Vendor to enter into this Agreement;
- (jj) **"Stalking Horse Bid"** has the meaning ascribed thereto in Section 15(a) hereof;

- (kk) **“Superior Bid(s)”** shall mean an offer by any Person other than the Purchaser or its Affiliates to purchase all or any of the Purchased Assets, which has cash consideration at least one hundred thousand dollars (\$100,000) higher than the Stalking Horse Bid as determined pursuant to the Sales Process Order, provided that no offer shall qualify as a Superior Bid unless it meets, among other things, the following minimum criteria:
- (i) the offer must be accompanied by a cash deposit which is at least equal to five (5%) percent of the Purchase Price;
 - (ii) the offer must be irrevocable until January 17, 2025 and specify that the Closing shall take place prior to February 4, 2025;
 - (iii) the offer must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse Bid;
 - (iv) the offer must be substantially in the form of the Stalking Horse Bid, with any changes to the offer black-lined against the Stalking Horse Bid;
 - (v) the offer must be supported, in the sole discretion of the Vendor, by evidence of financing sufficient to close a transaction within the timelines detailed in the Sales Process Order.
- (ll) **“TERS”** shall have the meaning ascribed to it in Section 11(a) hereof;
- (mm) **“Vendor”** means msi Spergel Inc., in its capacity as Court-appointed receiver of the assets, undertakings and properties of the Debtor, and not in its personal or corporate capacity and without personal or corporate liability; and
- (nn) **“Vendor’s Solicitors”** means the firm of Goldman Sloan Nash & Haber LLP, attn: Robert Drake
- (oo) **“Winning Bid”** has the meaning ascribed thereto in Section 15(c) hereof; and
- (pp) **“Winning Bidder”** has the meaning ascribed thereto in Section 15(c) hereof.

2. SCHEDULES

The following Schedule are appended to this Agreement:

Schedule “A”	Legal Description of Lands
Schedule “B”	Permitted Encumbrances

Schedule "C" Approval and Vesting Order (Draft)

3. **NATURE OF TRANSACTION**

The Purchaser shall purchase, and the Vendor shall sell all of the right, title and interest, if any, of the Debtor in the Purchased Assets, upon and subject to the terms of this Agreement.

4. **ASSUMED LIABILITIES**

Subject to the terms and conditions of this Agreement, the Purchaser agrees that it will, as and from the Date of Closing, effective as of the Closing, assume, discharge, perform, pay and fulfill and indemnify and save harmless the Vendor from and against the following obligations and liabilities (collectively, the "**Assumed Liabilities**"):

- (a) all liabilities and obligations in respect of the Purchased Assets arising or incurred from and after Closing, including, without limitation, all obligations and liabilities relating to the Leases and Permitted Encumbrances.

5. **OBLIGATIONS EXCLUDED**

The Purchaser is not assuming and shall not be responsible for any liabilities or obligations of the Debtor other than those liabilities and obligations arising from the Purchased Assets.

6. **EXCLUDED ASSETS**

- (a) The Vendor is not selling and the Purchaser is not purchasing the Excluded Assets, all of which are excluded from the Purchased Assets and the purchase and sale hereunder.
- (b) If any of the Excluded Assets or any proceeds thereof shall at any time come into the possession of or under the control of the Purchaser, such assets and/or proceeds shall be held by the Purchaser, in trust for the benefit of the Vendor. Upon the Purchaser becoming aware that it has come into possession of such assets and/or proceeds, the Purchaser shall forthwith so advise the Vendor in writing of same and shall, if so requested by the Vendor, account and deliver over to the Vendor, at the Vendor's cost, any such assets and/or proceeds.

7. **PURCHASE PRICE**

The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the "**Purchase Price**") shall be the sum of (i) Five Million Seven Hundred Thousand dollars (\$5,700,000.00), The Purchase Price shall be paid, accounted for and satisfied as follows:

- (a) **Deposit:** On acceptance of this agreement by both parties the Purchaser shall deposit the principal amount of \$100,000.00 (the "**Deposit**"), which sum shall be held by the Vendor,

in trust, as a deposit pending Closing or termination of this Agreement. Subject only to the terms of this Agreement, the Deposit is to be credited on account of the Purchase Price upon completion of the transaction contemplated in this Agreement. If this Agreement is not completed due to the Purchaser's default, the Vendor, in addition to any other remedies that it may have, shall be entitled to retain the Deposit as liquidated damages and not as a penalty. If this Agreement is terminated for any reason whatsoever other than the default of the Purchaser, the Deposit shall be returned to the Purchaser forthwith, without interest or deduction;

- (b) **Vendor Take Back Mortgage (the "VTB")**: The Vendor agrees to provide a VTB to the purchaser for the remaining balance due on closing on the following terms:

VTB principal: \$5,600,000.00

Interest rate: 2.14286%

Term: 24 months (2 years) from the date of closing

Monthly payments: \$10,000.00 (interest only)

8. **CLOSING AND POST-CLOSING ADJUSTMENTS**

- (a) **Closing Adjustments**: Adjustment shall be made, as of 12:01 a.m. on the Date of Closing, for realty taxes, local improvement rates, municipal/provincial levies and charges, water and assessment rates, utilities, and any other items which are usually adjusted in purchase transactions involving commercial properties in Ontario. The Date of Closing shall be for the account of the Purchaser. The Vendor shall not be required to re-adjust after closing any item on or omitted from the statement of adjustments.
- (b) **Reduction in Property Taxes**: The Purchaser acknowledges and agrees that the Vendor shall be entitled to the benefit of any reduction in the property taxes payable with respect to the Lands for the period prior to the Closing Date. To the extent that the Purchaser receives any amounts from the applicable municipality in respect of any reduction of property taxes relating to the period prior to the Date of Closing, the Purchaser shall forthwith forward such amounts to the Vendor.

9. **TERMS OF PURCHASE**

- (a) **"As Is, Where Is"**: The Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis subject to whatever defects, conditions, impediments, Hazardous Materials or deficiencies which may exist on the Date of Closing, including, without limiting the generality of the foregoing, any latent or patent defects in the Purchased Assets and such defects as may

be revealed in the Vendor's Deliveries. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets that the Purchaser shall have conducted such inspections of the condition and title to the Purchased Assets as it deems appropriate and shall have satisfied itself regarding these matters. No representation, warranty or condition expressed or implied, statutory or non-statutory, oral or written has been or will be given by the Vendor as to title, encumbrances, description, fitness for any present or intended purpose or use, the existence or non-existence of Hazardous Materials, compliance or non-compliance with any Environmental Law, any Environmental Activity from, on or in relation to the Lands, the existence, state, nature, identity, extent or effect of any investigations, administrative orders, control orders, stop orders, compliance orders or any other orders, proceedings or actions under any Environmental Law in relation to the Lands, merchantability, condition, or quality, cost, state of repair, degree of maintenance, durability or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Vendor to sell same save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, all conditions, warranties, or representations expressed or implied pursuant to the *Sale of Goods Act* of Ontario do not apply hereto and have been waived by the Purchaser. The descriptions of the Purchased Assets contained in this Agreement are for the purposes of identification only and no representation, warranty or condition has or will be given by the Vendor concerning the accuracy of such descriptions. Any documentation, materials or information provided by the Vendor to the Purchaser regarding the Purchased Assets, or any part thereof, was provided solely for the convenience of the Purchaser and is not warranted or represented to be complete or accurate and does not form part of this Agreement. The Purchaser shall and shall be deemed to rely entirely on its own inspections and investigations concerning the Purchased Assets. The Purchaser acknowledges that it shall have no recourse to the Vendor with respect to the environmental condition of the Lands and has satisfied itself with respect to same. If the Closing occurs, the Purchaser shall assume all risks relating to the physical condition of the Purchased Assets which existed on or prior to the Closing Date. Neither the Purchaser nor any permitted occupant of the Lands shall have any recourse to the Vendor because of the nature or condition of the Purchased Assets. This section shall not merge on Closing and is deemed incorporated by reference into all Closing documents and deliveries.

- (b) **Title and Other Requisitions:** The Purchaser acknowledges that it shall, at its own expense, examine title to the Lands and satisfy itself as to the state thereof, satisfy itself as to outstanding work orders affecting the Lands, satisfy itself as to the use of the Lands being in accordance with applicable zoning requirements and satisfy itself that the Buildings may be insured to the satisfaction of the Purchaser. Title to the Lands shall be good and marketable title in fee simple free from all encumbrances save and except Permitted Encumbrances. The Purchaser shall be allowed until the Requisition Date, at its own expense, to satisfy itself that on Closing it will acquire title to the Purchased

Assets free of any encumbrances other than Permitted Encumbrances and shall provide Vendor's counsel with notice in writing of any valid requisition or objection in respect of Encumbrances against the Purchased Assets by no later than 5:00 p.m. (Eastern Standard Time) on the Requisition Date. The Vendor agrees to take reasonable steps and utilize its best efforts to satisfy or comply with any valid requisition. If the Vendor shall, through any cause, be unable to answer or comply with any valid requisition or objection which the Purchaser will not waive, this Agreement shall be at an end (notwithstanding any intervening negotiations or litigation or any attempt to remove or comply with the same) and the full amount of the Deposit shall be returned to the Purchaser forthwith, without interest or deduction and the Purchaser shall not be entitled to any other compensation of any kind whatsoever with respect to the failure to satisfy or comply with such requisition. The Vendor shall not be required to furnish or produce any survey, abstract, deed, declaration or document or evidence of title except those in its possession.

10. **DATE OF CLOSING**

Subject to the provisions of Section 14 hereof, the transaction contemplated hereunder shall be completed (the moment of completion shall be referred to as "**Closing**") on the first Business Day following the date upon which the time to appeal the Approval and Vesting Order has expired, or, in the event that an appeal from the Appeal and Vesting Order is filed, the first Business Day following the final dismissal of the appeal (the "**Date of Closing**"), unless the parties hereto otherwise agree to such other date in writing.

11. **ELECTRONIC REGISTRATION**

- (a) In the event that the electronic registration system ("**TERS**") is operative in the relevant land registry office (the "**Registry Office**"), the following provisions shall apply:
- (i) The Purchaser shall be obliged to retain a solicitor who is an authorized TERS user, has the necessary computer facilities to complete the transaction via TERS and is in good standing with the Law Society of Ontario to represent the Purchaser in connection with the completion of the transaction and shall authorize such solicitor to enter into the Vendor's Solicitor's standard form of escrow closing agreement or document registration agreement which will establish the procedures and timing for closing this transaction, provided they are in accordance with Law Society guidelines (the "**DRA**").
 - (ii) The delivery and exchange of the closing documents:
 - (1) shall not occur contemporaneously with the registration of the Application for Vesting Order and other registerable documentation; and

- (2) shall be governed by the DRA, pursuant to which the Vendor's Solicitors and Purchaser's Solicitor shall hold all closing documents in escrow and will not be entitled to release them except in strict accordance with the provisions of the DRA.
- (b) The Purchaser expressly acknowledges and agrees that the Vendor will not release the Receiver's Certificate confirming the effectiveness of the Approval and Vesting Order for until the balance of funds due on Closing, in accordance with the statement of adjustments, are remitted by personal delivery to the Vendor's Solicitors (or in such other manner as the Vendor or Vendor's Solicitors may direct).
- (c) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Vendor upon the Purchaser when the Vendor's Solicitors have:
- (i) delivered to the Purchaser's Solicitor all closing documents required to be delivered by the Vendor to the Purchaser pursuant to Section 17 hereof;
 - (ii) advised the Purchaser's Solicitor in writing that the Vendor is ready, willing, and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
 - (iii) completed all steps required by TERS to complete this transaction that can be performed or undertaken by the Vendor's Solicitors without the cooperation or participation of the Purchaser's Solicitor, and specifically when the "completeness signatory" for the Application for Vesting Order has been electronically "signed" by the Vendor's Solicitors,
- without the necessity of personally attending upon the Purchaser or the Purchaser's Solicitor with the closing documents, and without any requirement to have an independent witness evidencing the foregoing.
- (d) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Purchaser upon the Vendor, when the Purchaser's Solicitor has:
- (i) Delivered to the Vendor's Solicitor the balance due at Closing and all Closing Documents required to be delivered by the Purchaser to the Vendor pursuant to Section 18 hereof;
 - (ii) advised the Vendor's Solicitors in writing that the Purchaser is ready, willing, and able to complete the transaction in accordance with the terms and provisions of this Agreement; and

- (iii) completed all steps required by TERS to complete this transaction that can be performed or undertaken by the Purchaser's Solicitor without the cooperation or participation of the Vendor's Solicitors, and specifically when the "completeness signatory" for the Application for Vesting Order has been electronically "signed" by the Purchaser's Solicitor,

without the necessity of personally attending upon the Vendor or the Vendor's Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing.

- (e) If through no fault of the Purchaser's Solicitor or the Vendor's Solicitors TERS is unavailable on the Closing Date, such that the Purchaser's Solicitor is unable to register the Application for Vesting Order, then the transaction contemplated by this Agreement shall be completed in escrow in accordance with the terms of the DRA which shall apply until such time as TERS becomes available. Upon TERS becoming available, the Vendor's Solicitors shall advise the Purchaser's Solicitor forthwith and the parties shall arrange to complete the registration of the Application for Vesting Order as expeditiously as possible, whereupon the escrow shall be released.

In the event of any conflict or inconsistency between the terms of this Section 11 and the terms of the DRA, the terms of this Section 11 shall prevail.

12. PRE-CLOSING RISK AND POST-DAMAGE ENTITLEMENTS

The Purchased Assets are and shall remain at the Vendor's risk until Closing. In the event of damage to the Purchased Assets prior to the Closing Date, in excess of two hundred and fifty thousand (\$250,000) Dollars, as determined by an independent third party expert appointed by the Vendor ("**Material Damage**"), the Purchaser may, at its option: (a) complete the transaction contemplated by this Agreement without reduction of the Purchase Price, in which event all proceeds of insurance or compensation shall be payable to the Purchaser; or (b) rescind this Agreement, and the parties hereto shall have no further rights and remedies against each other and the Deposit shall be returned to the Purchaser forthwith, without interest or deduction, and the Purchaser shall not be entitled to any other compensation of any kind whatsoever with respect to the failure to close as a result of such loss or damage. The Vendor shall use its best efforts to advise the Purchaser, in writing, within twenty-four (24) hours of the Vendor learning of any Material Damage to the Purchased Assets. The Purchaser shall have five (5) days, or such longer period as the Vendor in its sole and absolute discretion may agree to in writing, from delivery of such notice to advise the Vendor in writing as to its election, if any. In the event that the Purchaser fails to notify the Vendor in writing as to its election within the prescribed time period, the Vendor may terminate this Agreement immediately by providing written notice to the Purchaser and the parties hereto shall have no further rights and remedies against each other and the Deposit shall be returned to the Purchaser forthwith, without deduction, failing which,

the Purchaser shall be deemed to have elected to complete the transaction in accordance with subparagraph (a) above.

13. **VENDOR'S REPRESENTATIONS AND WARRANTIES**

The Vendor represents and warrants to the Purchaser that, as at the date hereof and as of the Closing Date:

- (a) **Non-Residency**: The Vendor is not now and does not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada) and the Vendor is not now and does not intend to become, prior to Closing, an agent, or a trustee of such non-resident;
- (b) **Receivership Order**: The Receivership Order is in full force and effect; and
- (c) **HST Registration**: The Vendor shall be registered for the purposes of the ETA prior to the Closing and shall provide its registration number to the Purchaser on or prior to the Closing.

14. **PURCHASER'S REPRESENTATIONS AND WARRANTIES**

The Purchaser represents and warrants to the Vendor that, as at the date hereof and as of the Closing Date:

- (a) **Corporate Matters Regarding Purchaser**: the Purchaser is a corporation duly incorporated, organized and validly subsisting under the laws of Ontario and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement; neither the execution of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the transaction contemplated hereunder will violate:
 - (i) the Purchaser's articles of incorporation and by-laws;
 - (ii) any agreement to which the Purchaser is bound or is a party;
 - (iii) any judgement or order of a court of competent authority or any Government Authority; or
 - (iv) any applicable law;

and the Purchaser has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder;

- (b) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid, and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (c) there are no orders or proceedings pending before any Government Authority, or threatened to be brought by or before any Government Authority by or against the Purchaser, affecting the legality, validity or enforceability of this Agreement or the consummation of the transaction contemplated hereby by the Purchaser;
- (d) the Purchaser has made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the cash portion of the Purchase Price to the Vendor on Closing;
- (e) the Purchaser will be responsible for and will remit to or reimburse, as applicable, all taxes, including (without limitation) land transfer tax, levies or the like that arise from the sale of the Purchased Assets unless otherwise specified in this Agreement;
- (f) **Investment Canada Act (Canada)**: either (i) the Purchaser is not a “non-Canadian”, as defined in the *Investment Canada Act (Canada)* (“ICA”); or (ii) if the Purchaser is a “non-Canadian”, this transaction is not a reviewable transaction under the ICA, or, if applicable, the Purchaser is a non-Canadian for the purpose of the ICA and will within three (3) Business Days of the execution of this Agreement submit to Investment Canada a fully completed Application for Review with respect to the transaction contemplated in this Agreement and will use its best efforts to obtain Investment Canada Approval within ten (10) days thereafter.
- (g) the Purchaser acknowledges that it is responsible for conducting its own searches and investigations of the current and past uses of the Purchased Assets;
- (h) the Purchaser acknowledges the Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Purchased Assets is or will be lawful or permitted;
- (i) the Purchaser is satisfied with the Purchased Assets and all matters and things connected therewith or in any way related thereto;
- (j) the Purchaser is relying entirely upon its own investigations and inspections in entering into this Agreement;

- (k) **Brokers:** The Purchaser has not engaged any broker or other agent in connection with the transaction provided for in this Agreement and, accordingly, there is no commission, fee or other remuneration payable to any broker or agent who purports or may purport to have acted for the Purchaser;
- (l) **HST Registration:** The Purchaser shall be registered for the purposes of the ETA prior to the Closing and shall provide its registration number to the Vendor on or prior to the Closing.

The Purchaser shall promptly deliver to the Vendor written notice specifying the occurrence or likely occurrence of any event which may result in any of the Purchaser's representations and warranties contained in this Agreement not continuing to be true as at Closing.

15. **SALE PROCESS AND CONDITIONS OF CLOSING**

- (a) The Vendor shall obtain the Sales Process Order on or before the 15th day of November, 2024. The Sales Process Order shall recognize the Purchase Price as a baseline or "stalking horse bid" (the "**Stalking Horse Bid**"), and shall also provide for a marketing process of the Purchased Assets by the Vendor with the potential for competitive bidding, to be administered by the Vendor. The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a Superior Bid can be obtained for the Purchased Assets.
- (b) In the event that one or more Persons submits a Superior Bid on or before the Bid Deadline, the Vendor shall notify each of the bidders who submitted a Superior Bid and the Stalking Horse Bidder that one or more Superior Bids were received and shall invite each of them to submit a final offer which shall meet all of the bid criteria set out in Section 1(kk) hereof (each a "**Final Offer**" and, collectively, the "**Final Offers**") by 5:00 p.m. (Toronto time) on the 6th day of January, 2025 (the "**Final Offer Deadline**").
- (c) The Vendor, exercising its reasonable business judgement, will select the best of the Final Offers (the "**Winning Bid**"). Upon acceptance of the Winning Bid, there shall be a binding agreement of purchase and sale between the successful winning bidder (the "**Winning Bidder**") and the Vendor. The Vendor shall make a motion to the Court, within five (5) Business Days following the Final Offer Deadline, to obtain an order to approve the agreement reached with the Winning Bidder and to vest the Purchased Assets in the Winning Bidder and proceed with closing the transaction forthwith.
- (d) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Winning Bidder, then upon acceptance by the Vendor of the Winning Bid, the Deposit shall immediately be released from trust and paid to the Purchaser. If no Superior Bid(s) is received by the Bid Deadline, the Vendor shall bring a

motion to the Court to obtain the Vesting Order and shall proceed with completing the transaction contemplated hereby forthwith.

- (e) **Purchaser's Conditions:** The Purchaser shall not be obliged to complete the transaction contemplated hereunder unless, on or before the Closing Date, all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Vendor on or before the Closing Date shall have been complied with or performed by the Vendor.
- (f) **Vendor's Conditions:** The Vendor shall not be obliged to complete the transaction contemplated hereunder unless, on or before the Closing Date, the following conditions shall have been satisfied:
- (i) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed by the Purchaser;
 - (ii) the making of the Vesting Order by the Court approving the sale by the Vendor to the Purchaser of the Purchased Assets in accordance with this Agreement and vesting the receiver's and the Debtor's respective right, title and interest therein in the Purchaser, free and clear of any claims, save and except for the Permitted Encumbrances;
 - (iii) the Vesting Order shall not have been stayed, set aside or varied in any material respect; and
 - (iv) no action or proceeding shall be pending or threatened by any person to restrain or prohibit the Closing, nor any order restraining or prohibiting Closing shall have been made by the Court.
- (g) **Court Approval:** The Purchaser hereby further acknowledges and agrees that this Agreement and the contemplated sale of the Purchased Assets are subject to the condition (not capable of waiver) that prior to Closing the Vendor shall have obtained the Vesting Order from the Court. The Vendor shall diligently pursue such application or applications and shall promptly notify the Purchaser of the disposition thereof. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably require to obtain the Vesting Order. If the Court shall not have granted the Vesting Order before Closing or any extension thereof as may have been mutually agreed to between the parties hereto, this Agreement shall be automatically terminated and neither party shall have any further obligation to the other respecting this Agreement.

- (h) **Fuel Supply Agreement:** The Purchaser hereby further acknowledges and agrees that this Agreement and the contemplated sale of the Purchased Assets are subject to the condition that prior to Closing the Vendor shall have obtained the disclaimer of the Fuel Supply Agreement dated February 22, 2016, as amended March 30, 2016, and as assigned on December 1, 2016 and September 20, 2018, either by court order or the agreement of Parkland Fuel Corporation. If the Fuel Supply Agreement has not been disclaimed by the court or otherwise ended by Parkland Fuel Corporation before Closing or any extension thereof as may have been mutually agreed to between the parties hereto, this Agreement shall be automatically terminated and neither party shall have any further obligation to the other respecting this Agreement.
- (i) **Cash on Close:** The Purchaser hereby further acknowledges and agrees that this Agreement and the contemplated sale of the Purchased Assets are subject to the condition that prior to Closing the Vendor shall have received sufficient monies from third parties necessary to pay priority charges necessary to convey clear title. This includes, but is not limited to, any priority or secured claim to Parkland Fuel Corporation and/or or to the City of Welland. If there is not sufficient cash on hand to pay these, or other, priority charges this Agreement shall be automatically terminated and neither party shall have any further obligation to the other respecting this Agreement.
- (j) **Non-Fulfillment:** If any of the conditions contained in this Article 15 shall not have been fulfilled or performed on or before the date provided for satisfaction of such condition(s) and the party or parties entitled to waive the same shall not have done so, this Agreement shall be deemed to be terminated without further act by the Vendor or the Purchaser and the further obligations of the Vendor and the Purchaser under this Agreement shall terminate, and the Deposit shall be returned to the Purchaser without deduction or interest and neither party shall have any further obligations or liabilities hereunder.

16. **CONDITIONS OF CLOSING IN FAVOUR OF THE VENDOR**

- (a) The Vendor's obligations contained in this Agreement shall be subject to the fulfilment at or prior to Closing, of each of the following conditions:
- (i) **Representations and Warranties:** Each of the Purchaser's representations and warranties contained in this Agreement shall be true at and as of the date hereof and each of such representations and warranties shall continue to be true as at Closing;
- (ii) **Covenants/Agreements:** The Purchaser shall have complied with each, and every covenant/agreement made by it herein and required to be completed at or prior to Closing;

- (iii) **No Legal Action**: no action or proceeding shall be pending or threatened by any person to enjoin, restrict, or prohibit the completion of the transaction contemplated by this Agreement or the right of the Purchaser to own the Purchased Assets after the time of Closing and no Order restraining or prohibiting Closing shall have been made by the Court.
- (v) **Approval and Vesting Order**: The Vendor shall have obtained the Approval and Vesting Order.
- (vi) **No Stay or Appeal**: The Approval and Vesting Order shall not have been stayed, varied, or vacated and shall be in full force and effect and no appeal of the Approval and Vesting Order shall have been commenced and be outstanding; and
- (vii) **Corporate Steps and Proceedings**: all necessary corporate steps and proceedings shall have been taken by the Purchaser to permit the Purchaser's execution of this Agreement and performance of each of the Purchaser's obligations hereunder.

For greater certainty, each of the conditions contained in this Section 17(a) have been inserted for the benefit of the Vendor.

- (b) The Vendor covenants to use reasonable commercial efforts to fulfil or cause to be fulfilled the condition contained in Section 15(v) and the Purchaser covenants to use its reasonable commercial efforts to fulfil or cause to be fulfilled the conditions contained in Section 17 hereof prior to Closing which are under the Purchaser's control.
- (c) In the event that any of the foregoing conditions shall not be fulfilled, in whole or in part, at or prior to Closing, the Vendor may, in its absolute and unfettered discretion, terminate this Agreement by written notice to the Purchaser without penalty or liability whatsoever to the Vendor, subject to the provisions of Section 7(a) hereof with respect to the Deposit, and otherwise without cost or other compensation and each of the Vendor and the Purchaser shall be released from its obligations and liabilities hereunder.

17. **CONDITIONS OF CLOSING IN FAVOUR OF THE PURCHASER**

- (a) The Purchaser's obligations contained in this Agreement shall be subject to the fulfilment, at or prior to Closing, of each of the following conditions:
 - (i) **Representations and Warranties**: each of the Vendor's representations and warranties contained in this Agreement shall be true at and as of the date hereof and each of such representations and warranties shall continue to be true as at Closing;

- (ii) **Covenants/Agreements**: The Vendor shall have complied with each, and every covenant/agreement made by it herein and required to be completed at or prior to Closing;
- (iii) **No Legal Action**: no action or proceeding shall be pending or threatened by any person to enjoin, restrict, or prohibit the completion of the transaction contemplated by this Agreement or the right of the Purchaser to own the Purchased Assets after the time of Closing and no Order restraining or prohibiting Closing shall have been made by the Court; and
- (iv) **Approval and Vesting Order**: The Purchaser shall have obtained the Approval and Vesting Order; and
- (v) **No Stay or Appeal**: The Approval and Vesting Order shall not have been stayed, varied, or vacated and shall be in full force and effect and no appeal of the Approval and Vesting Order shall have been commenced and be outstanding.

For greater certainty, each of the conditions contained in this Section 16(a) have been inserted for the benefit of the Purchaser.

- (b) The Vendor covenants to use reasonable commercial efforts to fulfil or cause to be fulfilled all the conditions contained in section 16 which are under the Vendor's control.
- (c) In the event that any of the foregoing conditions shall not be fulfilled at or prior to Closing, the Purchaser may, in its absolute and unfettered discretion, terminate this Agreement by written notice to the Vendor without any penalty or liability whatsoever to the Purchaser, subject to the provisions of Section 7(a) hereof with respect to the Deposit, and otherwise without cost or other compensation and each of the Vendor and the Purchaser shall be released from all other obligations hereunder.

18. **VENDOR'S CLOSING DELIVERIES**

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date expressly provided herein:

- (a) **Approval and Vesting Order**: A copy of the issued and entered Approval and Vesting Order;
- (b) **Statement of Adjustments**: a statement of adjustments prepared in accordance with Section 7 hereof, to be delivered not less than two (2) Business Days prior to Closing;

- (c) **Vendor's Certificate:** The Vendor's Certificate setting out that each of the Vendor's representations and warranties contained in this Agreement are true as of Closing and that each of the conditions in section 17 have been fulfilled, performed, or waived as of the Time of Closing;
- (d) **Direction Regarding Funds:** a direction from the Vendor designating the party or parties to which the balance of the Purchase Price described in Subsection 7(b) hereof shall be paid; in the event that the Vendor designates more than one party then it shall also designate amounts payable to each of the parties;
- (e) **Keys, etc.:** all keys, security cards and access codes for the Buildings in the Vendor's possession;
- (f) **ETA Election:** the ETA Election, if applicable;
- (g) **Receiver's Certificate:** The Receiver's Certificate as provided for in the Approval and Vesting Order;
- (h) **Certificate Re: Appeals:** a certificate of the Vendor certifying that except as disclosed in the Certificate, the Vendor has not been served with any notice of appeal with respect to the Receivership Order or the Approval and Vesting Order, or any notice of any application, motion or proceeding seeking to set aside or vary the Receivership Order or Approval and Vesting Order or to enjoin, restrict or prohibit the transaction provided for in this Agreement.
- (i) **Non-Residence Certificate:** The Vendor's certificate setting out that the Vendor is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada) and is not the agent nor trustee of a "non-resident";
- (j) **Receipt:** a receipt from the Vendor for the Purchase Price; and
- (k) **Further Documentation:** such further documentation relating to the completion of this Agreement as may be reasonably required by the Purchaser or the Purchaser's Solicitor, provided that such further documentation is in a form satisfactory to the Vendor, taking into consideration the fact that the Vendor is selling the Purchased Assets as Receiver.

19. **PURCHASER'S CLOSING DELIVERIES**

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at or prior to Closing:

- (a) **Undertaking To Re-Adjust**: the Purchaser's undertaking to re-adjust any item on or omitted from the statement of adjustments, subject to the limitation contained in Subsection 8(a) hereof;
- (b) **Purchaser's Certificate**: The Purchaser's certificate setting out that each of the Purchaser's representations and warranties contained in this Agreement are true as at Closing and that each of the conditions in section 16 have been fulfilled, performed, or waived as of the Time of Closing;
- (c) **Directors' Resolution**: a certified copy of a resolution of the board of directors of the Purchaser authorizing the execution of this Agreement and performance of each of the Purchaser's obligations hereunder;
- (d) **Property Tax Reduction**: such directions, acknowledgments and other documents as may be necessary or desirable to ensure that the benefit of any reduction in the property taxes payable with respect to the Lands for the period prior to the Closing Date is received by the Vendor;
- (e) **Taxes**: payment or evidence of payment of applicable federal and provincial taxes or alternatively, the ETA Election, if applicable, or appropriate self-assessment or exemption documentation;
- (f) **HST Indemnity**: the indemnity provided for under Subsection 21(d) hereof;
- (g) **Certificate of Incumbency**: a certificate of incumbency setting out the names and specimen signatures of each of the directors and officers of the Purchaser;
- (h) **Environmental Indemnity**: an environmental indemnity indemnifying and holding the Vendor harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses (collectively "**Damages**") suffered or incurred by the Vendor, directly or indirectly, as a result of or in connection with any of the following, and without restricting the generality of the foregoing, which include Damages incurred in addressing an administrative order by a Government Authority or in addressing a notice, investigation or other process which could reasonably be anticipated to result in such an order:
 - (i) the presence or release of any Hazardous Materials in, on or under the Lands or the threat of a release;
 - (ii) the presence of any Hazardous Materials in, on or under properties adjoining or proximate to the Lands;
 - (iii) any other environmental matters relating to the Lands;

- (iv) the breach by the Purchaser or those for whom it is responsible at law of any Environmental Law applicable to the Lands; or,
 - (v) the release or threatened release of any Hazardous Materials owned, managed, generated, disposed of, controlled, or transported by or on behalf of the Purchaser.
- (i) **Balance Due at Closing**: the balance of the Purchase Price described in Subsection 7(b) hereof; and
 - (j) **Further Documentation**: any other documentation relative to the completion of this Agreement as may reasonably be required by the Vendor or the Vendor's Solicitors.

20. **PLANNING ACT (ONTARIO)**

This Agreement shall be effective to create an interest in the Buildings or Lands for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing or if a Court orders the completion of the Transaction notwithstanding what would otherwise be non-compliance with Part VI of the *Planning Act* (Ontario).

21. **HARMONIZED GOODS AND SERVICES TAX**

- (a) **Application of HST to this Agreement**: Harmonized sales tax ("**HST**") shall be in addition to and not included in the Purchase Price, shall be payable by the Purchaser and shall be collected and remitted in accordance with the Act.
- (b) **HST Registration**: The Purchaser is registered for the purposes of the Act, and its HST number is _____ or shall be registered as of Closing.
- (c) **Self-Assessment**: Purchaser shall have the option of furnishing the Vendor with appropriate exemption certificates and/or self-assessment indemnification documentation in form satisfactory to the Vendor.
- (d) **HST Indemnity**: The Purchaser shall indemnify and save harmless the Vendor from all claims, liabilities, penalties, interest, costs, and legal and other expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated hereunder.

22. **POSSESSION**

The Vendor shall remain in possession of the Purchased Assets until the time of Closing. Upon the completion of the transaction, the Vendor shall yield up possession of the Purchased Assets to the Purchaser and the Purchaser shall take possession of the Purchased Assets where situate. Title to the Purchased Assets shall not pass to the Purchaser until the completion of the

transaction provided for herein and the Receiver’s Certificate has been delivered to the Purchaser. The Vendor shall be entitled, but shall not be obligated, to remove from the buildings any chattels, books, records, documents, or other personal property situate in the Buildings which does not form part of the Purchased Assets.

23. **NOTICE**

Any notice given hereunder shall be in writing and delivered or communicated by facsimile or electronic transmission to:

in the case of the Purchaser to:

- (a) In the case of the Purchaser:

Suthaharan Gunasegaram – To be provided

Attention: _____

Tel.: _____

Fax: _____

Email: _____

and with a copy to the Purchaser’s Solicitor:

Gagan Law Professional Corporation
8 Water Street
Mississauga ON
L5M 1T9

Attention: Gagan Dadiala
Tel.: (905) 997-1666
Fax: (905) 997-6566
Email: gagan@gaganlaw.com

and in the case of the Vendor to:

msi Spergel Inc., in its Capacity as
Court-Appointed Receiver of
Lake Trading Welland Inc.
200 Yorkland Blvd, Suite 1100
Toronto, Ontario M2J 5C1

Attention: Frank Kisluk
Email: fkisluk@spergel.ca
Tel. & Telecopier: 647 288 7636

with a copy to the Vendor's Solicitors at:

Goldman Sloan Nash & Haber LLP
480 University Ave., Suite 1600
Toronto, ON M5G 1V2

Attention: Robert Drake
Email: drake@gsnh.com
Tel: 416 597 5014
Fax: 416 597 5014

Such notice shall be deemed to have been delivered upon delivery or communicated upon transmission unless such notice is delivered or transmitted outside of usual business hours, in which event the notice shall be deemed to have been delivered or transmitted on the next Business Day. A party may change its address and/or telecopier machine number by providing notice in accordance with this Section 23.

24. **WAIVER OF CONDITIONS**

Except as otherwise provided in this Agreement, all conditions contained herein have been inserted for the benefit of either the Vendor or the Purchaser, as indicated, and are conditions of the obligations of such party to complete the transaction contemplated hereunder at Closing and are not conditions precedent of this Agreement. Any one or more of the said conditions may be waived, in writing, in whole or in part, by the benefiting party without prejudice to the benefiting party's right of termination in the event of the non-fulfilment of any other condition, and, if so waived, this Agreement shall be read exclusive of the said condition or conditions so waived. For greater certainty, the closing of the transaction contemplated hereunder by a party hereof shall be deemed to be a waiver by such party of compliance with any condition inserted for its benefit and not satisfied at Closing.

25. **SEVERABILITY**

If any provision contained in this Agreement or the application thereof to any person/entity or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to persons/entities or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each provision contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

26. **DIVISION/HEADINGS**

The division of this Agreement into Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings or captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any part hereof.

27. **ENTIRE AGREEMENT**

This Agreement and the schedules attached hereto constitute the entire agreement between the Vendor and the Purchaser in respect of the Purchased Assets. Each of the parties acknowledges that, except as contained in this Agreement, there is no representation, warranty, collateral agreement, or condition (whether a direct or collateral condition or an express or implied condition) which induced it to enter into this Agreement.

28. **CUMULATIVE REMEDIES**

No remedy conferred upon or reserved to one or both of the parties hereto is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity, or statute.

29. **INTERPRETATION**

This Agreement shall be read with all changes of gender and number as required by the context.

30. **REFERENCES TO STATUTES**

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and all regulations from time to time promulgated thereunder and to such statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific section or sections, paragraph, or paragraphs and/or clause or clauses of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

31. **TIME OF ESSENCE**

Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Vendor and the Purchaser or their respective solicitors who are hereby expressly appointed for that purpose.

32. **CANADIAN FUNDS**

All references to dollar amounts contained in this Agreement shall be deemed to refer to Canadian funds.

33. **TENDER**

Any tender of notices, documents and/or monies hereunder may be made upon the Vendor or the Purchaser or their respective solicitors. Monies may be tendered by a negotiable cheque certified by a Canadian chartered bank or by an official bank draft drawn upon one of Canada's five largest chartered banks.

34. **FURTHER ASSURANCES**

Except as otherwise expressed herein to the contrary, each party shall, without receiving additional consideration, therefore, co-operate with and take such additional actions as may be requested by the other party, acting reasonably, in order to carry out the purpose and intent of this Agreement. Provided that upon the discharge of the Vendor as receiver, the Vendor's obligation under this paragraph shall be at an end and the Vendor shall have no continuing obligation under this paragraph.

35. **CONFIDENTIALITY**

The Purchaser and its agents, advisors and authorized representatives shall maintain in strict confidence, until closing, all information and materials delivered or made available pursuant to this Agreement, except as may reasonably be disclosed by the Purchaser:

- (a) to facilitate the procurement of financing for the Purchased Assets;

- (b) to enforce any of its rights/remedies hereunder;
- (c) to enforce any of its other rights/remedies, if any, pursuant to common law, equity, or statute; or
- (d) to comply with laws requiring disclosure.

If the transaction contemplated in this Agreement is, for any reason whatsoever, not completed, then the Purchaser shall, upon request from the Vendor, promptly return to the Vendor all materials delivered hereunder and deliver to the Vendor all copies of materials made available hereunder.

36. **NON-BUSINESS DAYS**

In the event that any date specified, or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

37. **DOCUMENTATION PREPARATION AND REGISTRATION**

The Purchaser shall prepare or cause to be prepared the land transfer tax affidavit to be attached to the Application for Vesting Order. Each of the parties shall deliver draft documentation to the other not less than five (5) Business Days prior to Closing. Except as otherwise expressly provided in this Agreement, all such documentation shall be in form and have substance satisfactory to the Vendor and the Purchaser, acting reasonably. The Purchaser shall be responsible for and pay all registration costs incurred in connection with the transaction contemplated in this Agreement. Except as otherwise expressly provided in this Agreement, each of the Vendor and the Purchaser shall be responsible for and pay all legal and other professional/consultant fees and disbursements incurred by it, directly or indirectly, in connection with this Agreement.

38. **LAND TRANSFER TAXES AND SALES TAXES**

The Purchaser shall pay on or prior to Closing all applicable federal and provincial taxes exigible in connection with the transaction hereunder including, without limitation, HST and land transfer taxes (as required pursuant to the *Land Transfer Tax Act* (Ontario)).

39. **GOVERNING LAWS**

This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario and each of the parties irrevocably attains to the Courts of the Province of Ontario.

40. **ASSIGNMENT AND ENUREMENT**

The Purchaser shall not assign part or all its interest under this Agreement without the prior written consent of the Vendor, which consent may be arbitrarily withheld. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

41. **NON-REGISTRATION OF AGREEMENT**

The Purchaser acknowledges that this Agreement is personal to the Purchaser and that this Agreement, or any monies paid hereunder do not create an interest in the Lands and the Purchaser further acknowledges that upon any breach of this Agreement by the Vendor, the Purchaser has an adequate remedy in damages. The Purchaser agrees that it will not register or cause or permit to be registered this Agreement and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Lands, and the Purchaser shall be deemed to be in default under this Agreement if it makes any registration or causes or permits any registration to be made on title to the Lands prior to the Date of Closing.

42. **VENDOR'S CAPACITY**

It is acknowledged by the Purchaser that the Vendor is entering into this Agreement solely in its capacity as Court-appointed receiver of the Purchased Assets pursuant to the Receivership Order and that the Vendor shall have no personal or corporate liability under or because of this Agreement. Any claim against the Vendor shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as receiver of the Debtors and the Purchased Assets and shall not apply to its personal property and other assets held by it in any other capacity. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Purchased Assets.

43. **FURTHER ASSURANCES**

Each of the parties shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other parties hereto may reasonably require from time to time after Closing at the expense of the requesting party for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Provided that upon the discharge of the Vendor as receiver, the Vendor's obligations under this paragraph shall be at an end and neither the Vendor nor msi Spergel Inc. shall have any continuing obligation under this paragraph.

44. **WAIVER, AMENDMENT**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

45. **SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

46. **COUNTERPARTS**

This Agreement may be executed in any number of original counterparts, with the same effect as if all the parties had signed the same document and will become effective when one or more counterparts have been signed by all the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the reference date set out above and accepted on the date of the last signature, and only one of which need be produced for any purpose.

47. **TIME FOR ACCEPTANCE**

The offer to purchase comprising this Agreement shall be irrevocable by the Purchaser and open for acceptance by the Vendor until 5:00 o'clock p.m. on the 17th day of January, 2025, after which time, if not accepted and notice of such acceptance communicated to the Purchaser, then the said offer to purchase shall be null and void and of no further force and effect. This Agreement may be accepted by giving a copy thereof to the Purchaser with the Vendor's acceptance endorsed thereon personally or by facsimile or other electronic transmission. If accepted prior to the expiration hereof, this Agreement shall constitute a binding contract between the parties to

purchase and sell the Purchased Assets on the terms and conditions set forth herein and is not subject to any conditions precedent.

DATED 21st day of October, 2024, Ontario as of the date first mentioned above.

Suthaharan Gunasegaram

(to be incorporated)

By:  _____
sutha.gunasegaram (Oct 21, 2024 17:19 EDT)

Name: Suthaharan Gunasegaram

Title: _____

I have authority to bind the Corporation.

The Vendor hereby accepts the foregoing offer to purchase and its terms and agrees with the Purchaser to duly complete the transaction contemplated thereunder.

DATED at Toronto, Ontario this ___ day of _____, 2024.

msi Spergel Inc., in its capacity as Court-Appointed Receiver of the assets, undertakings and properties of LAKE TRADING WELLAND INC. And not in its personal or corporate capacity and without personal or corporate liability

By: _____

Name: Mukul Manchanda

I have authority to bind the Corporation.

Schedule "A" – LEGAL DESCRIPTION

PT BLK M, PL 1649 NOW KNOWN AS PL 564 BEING PT 1
59R14582;; SUBJECT TO AN EASEMENT OVER PT BLK M PL 564,
PT 1 59R14582 IN FAVOUR OF PT TWP LT 92, THOROLD AS IN
AA90798 AS IN SN349002; SUBJECT TO AN EASEMENT OVER PT
BLK M PL 564, PT 1 59R14725 IN FAVOUR OF PT LT 21 CON 4
CROWLAND AS IN BB79890 AS IN SN360631; CITY OF WELLAND
(64103-0270 LT)

Schedule "B" – PERMITTED ENCUMBRANCES

1. Any undetermined or inchoate liens and charges incidental to the Purchased Assets.
2. The reservations, limitations, provisos, conditions, restrictions and exceptions expressed in the letters patent or grant from the Crown and all statutory exceptions to title;
3. The provisions of governing municipal by-laws;
4. Municipal taxes, and other charges only if capable of becoming a lien of the Lands;
5. Any defects or minor encroachments which might be revealed by an up to date survey of the Lands;
6. Any right of expropriation conferred upon, reserved to or vesting in Her Majesty the Queen in Right of Canada and Ontario;
7. Any registered restrictions or covenants that run with the Lands provided that same have been complied with in all material respects;
8. Any easements, rights of way or right of re-entry in favour of a developer, not materially or adversely impairing the present use of the Lands;
9. Any agreements with municipal, utilities or public authorities provided that same have been complied with in all material respects;
10. The following instruments registered on title to the Lands in the Land Registry Office
 1. Instrument No. SN6451 dated January 21, 2005, being a notice from the Corporation of the City of Welland;
 2. Instrument No. SN248159 dated June 18, 2009, being a notice from the Corporation of the City of Welland;
 3. Instrument No. 59R14582 dated November 14, 2011, being a plan reference;
 4. Instrument No. SN349002 dated June 21, 2012, being a transfer easement in favour of Enbridge Gas Distribution Inc.
 5. Instrument No. 59R14725 dated August 28, 2012, being a plan reference;
 6. Instrument No. SN360631 dated October 26, 2021, being a transfer easement in favour of Welland Hydro-Electric System Corp.;
 7. Instrument No. SN364597 dated December 12, 2012, being a notice from the Corporation of the City of Welland;

Schedule "C" – DRAFT APPROVAL AND VESTING ORDER

Court File No.: CV-24-00014901-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
JUSTICE)
) DAY OF , 2024

ALLY AWADH

Applicant

-and-

LAKE TRADING WELLAND INC.

Respondent

SALE PROCESS ORDER

THIS MOTION, made by **msi Spergel Inc.** (“**Spergel**”), in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of all the assets, undertakings, and property of Lake Trading Welland Inc. (the “**Debtor**”) for an order, among other things, approving a sale process (the “**Sale Process**”) was heard this day at 102 East Main Street, Welland, Ontario.

ON READING the Motion Record in respect of this motion including the First Report of the Receiver dated November 5, 2024 (the “**First Report**”), filed;

AND UPON hearing the submissions of counsel for the Receiver and such other counsel who were present, no one else appearing although duly served as appears from the affidavit of service of sworn , 2024, filed.

SERVICE AND DEFINITIONS

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

SALE PROCESS

3. **THIS COURT ORDERS** that the Sale Process is hereby approved and the Receiver is hereby authorized to implement the Sale Process pursuant to the terms thereof. The Receiver is hereby authorized to perform all things reasonably necessary to carry out the Sale Process.
4. **THIS COURT ORDERS** that the Receiver shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Sale Process, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or willful misconduct of the Receiver in performing its obligations under the Sale Process, as determined by this Court.

STALKING HORSE APS

5. **THIS COURT ORDERS** that the agreement of purchase and sale dated as of October 21 2024, (the “**Stalking Horse APS**”) between the Receiver and Suthaharan Gunasegaram (for a company to be incorporated) (in such capacity, the “**Stalking Horse Bidder**”) is hereby approved solely as the stalking horse bid in the Sale Process, provided that, nothing herein approves: (i) the acceptance and/or execution of the Stalking Horse APS by the Receiver; or (ii) the sale and the

vesting of any Property to the Stalking Horse Bidder pursuant to the Stalking Horse APS, and the approval and acceptance and execution of the Stalking Horse APS and/or any sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court.

FEE APPROVAL

6. **THIS COURT ORDERS** that that the fees and disbursements of the Receiver and its counsel for the periods of May 8, 2024 to September 30, 2024 (for the Monitor) and May 29, 2024 to October 30, 2024 (for the Monitor's counsel) as set out in the First Report and the filed fee affidavits, be and hereby are approved.

SEALING

7. **THIS COURT ORDERS** that Confidential Appendix "A" and Confidential Appendix "B" attached to the First Report are hereby sealed and shall not form part of the public record pending completion of the sales process or further order of this court.

GENERAL

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any foreign jurisdiction, 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 and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, in

each case 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.

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date it is made without any need for entry and/or filing.

ALLY AWADH
Applicant

-and-

LAKE TRADING WELLAND INC.
Respondents

Court File No.: CV-24-00715326-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Welland, Ontario

SALE PROCESS ORDER

GOLDMAN SLOAN NASH & HABER LLP

Barristers and Solicitors
Suite 1600, 480 University Avenue
Toronto, Ontario, M5G 1V2
Fax: 416-597-3370

Robert J. Drake – LSUC# 57083G

Tel.: 416-597-5014

Email drake@gsnh.com

Lawyers for the Receiver, msi Spergel Inc.

Gunasegaram asset pf MSI Spergel Inc. 90 Lincoln St Welland

Final Audit Report

2024-10-21

Created:	2024-10-21
By:	Neha Garg (neha@gaganlaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAs0KDVP29sEh6SBKR7Ks9ymxuTaK668jv

"Gunasegaram asset pf MSI Spergel Inc. 90 Lincoln St Welland" History

-  Document created by Neha Garg (neha@gaganlaw.com)
2024-10-21 - 9:04:42 PM GMT
-  Document emailed to sutha guansegaram (sutha143@hotmail.com) for signature
2024-10-21 - 9:04:49 PM GMT
-  Email viewed by sutha guansegaram (sutha143@hotmail.com)
2024-10-21 - 9:19:27 PM GMT
-  Document e-signed by sutha guansegaram (sutha143@hotmail.com)
Signature Date: 2024-10-21 - 9:19:38 PM GMT - Time Source: server
-  Agreement completed.
2024-10-21 - 9:19:38 PM GMT

Tab 5

Court File No. CV-24-00014901-0000

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

B E T W E E N:

ALLY AWADH

Applicant

and

LAKE TRADING WELLAND INC.

Respondent

**AFFIDAVIT OF MUKUL MANCHANDA
(Sworn November 5, 2024)**

I, **MUKUL MANCHANDA**, of the City of Brampton, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a Licensed Insolvency Trustee with msi Spergel inc. ("**MSI**"), the court-appointed Receiver (the "**Receiver**") of all the assets, undertakings, and properties

of the Respondent and as such I have knowledge of the matters hereinafter deposed to.

- 2. MSI was appointed Receiver pursuant to the Order made by the Honourable Justice G. Gambacorta of the Ontario Superior Court of Justice (Commercial List) on May 24, 2024.
- 3. Attached hereto as **Exhibit "1"** are true copies of the Receiver's time dockets with respect to professional fees incurred in respect of the receivership of Lake Trading Welland Inc. for the period to and including September 30, 2024, the amount of \$28,479.18 inclusive of disbursements and HST. The professional fees represent a total of 50 hours at an average rate of \$503.80 per hour (excluding HST).
- 4. To the best of my knowledge the rates charged by MSI in connection with acting as Receiver are comparable to the rates charged by other firms in the Toronto market for the provision of similar services.
- 5. I make this affidavit in support of the Receiver's motion for; *inter alia*, approval of its fees and disbursements and not for an improper purpose.

SWORN BEFORE ME at the City)
of Toronto, in the Province of)
Ontario, this 5th day of November 2024.)

Barbara Eileen Sturge

A Commissioner, etc.)

Mukul

MUKUL MANCHANDA

Barbara Eileen Sturge,
a Commissioner, etc. for msi Spergel inc
and Spergel & Associates Inc.
Expires September 21, 2025

**This is Exhibit “1” of the Affidavit of
MUKUL MANCHANDA
Sworn before me on this 5th day of November 2024**



A Commissioner, Etc

Barbara Eileen Sturge,
a Commissioner, etc. for rnsi Spergel inc
and Spergel & Associates Inc.
Expires September 21, 2025



SPERGEL

⁹⁷
msi Spergel inc., Licensed Insolvency Trustees
Head Office: 200 Yorkland Blvd., Suite 1100
Toronto, ON., M2J 5C1
T: 416 497 1660 ● F: 416 494 7199
www.spergel.ca

November 4, 2024

Invoice #: 12843

LAKE TRADING WELLAND INC.

INVOICE

RE: LAKE TRADING WELLAND INC.

FOR PROFESSIONAL SERVICES RENDERED for services up to and including September 30, 2024.

Professional Services	Hours	Hourly Rate	Total
Mukul Manchanda, CPA, CIRP, LIT	12.30	\$625.00	\$7,687.50
Gillian Goldblatt, CPA, CA, CIRP, LIT	0.60	\$625.00	\$375.00
Frank Kisluk, CPA, CA, Trustee	35.30	\$475.00	\$16,767.50
Eileen Sturge	0.90	\$250.00	\$225.00
Others	0.90	\$150.00	\$135.00
Total Professional Services	50.00	\$503.80	\$25,190.00
HST			\$3,274.70
Reimbursable Expenses			Total
Courier			\$12.81
Total Reimbursable Expenses			\$12.81
HST on expenses			\$1.67
Total			\$28,479.18

HST Registration #R103478103
(AALAKW-R)



November 4, 2024

Invoice #: 12843

LAKE TRADING WELLAND INC.

INVOICE

INVOICE RECONCILIATION PAGE

Date	Staff	Memo	Hours	B-Rate	Amount
Professional Services					
2024-05-08	FKI	Receipt and review proposed Receivership Order from Melinda Vine	0.40	\$475.00	\$190.00
2024-05-09	FKI	Rec and review Application Record from Melinda for May 24 Court Attendance for Receivership Order	0.40	\$475.00	\$190.00
2024-05-13	MMA	Email exchange with F. Kisluk and Dileep regarding the phase 2 environmental report.	0.10	\$625.00	\$62.50
2024-05-15	FKI	Email to Dileep re Phase 2 report, coordinating call, retainer and accounting for time to date	0.30	\$475.00	\$142.50
2024-05-16	MMA	Received and reviewed application confirmation. Received and reviewed factum and book of authorities for the applicant.	0.60	\$625.00	\$375.00
2024-05-21	FKI	T/C with Dileep to review process, discussion re available buyer, to pay over 18 mo., disc. re court process and Receiver's activities after Order issued	0.50	\$475.00	\$237.50
2024-05-21	MMA	Email exchange with J. Earl regarding conflict check.	0.10	\$625.00	\$62.50
2024-05-23	FKI	Email received from Roger Jaipargas re acting for Receiver with possible conflict; t/c's Mukul, Dileep to discuss; Dileep not comfortable with Roger appointment, suggested Melinda Vine	0.60	\$475.00	\$285.00
2024-05-24	MMA	Received email from J. DiFruscia advising that the receiver was granted. Email sent to Dileep requesting information. Requested, received and reviewed existing insurance information. Email exchange with R. Tuzi regarding the lock change. Phone call with F. Kisluk regarding mandate. Email exchange between C. Brownlee and F. Kisluk regarding insurance coverage. Zoom meeting for application to appoint receiver. Received and reviewed phase 2 ESA.	2.00	\$625.00	\$1,250.00



November 4, 2024

Invoice #: 12843

LAKE TRADING WELLAND INC.

INVOICE

2024-05-24	FKI	<i>Attend court re application for Receiving Order (.5); review procedures with Mukul re possession, insurance, security (.2); T/C's Chad Brownlee (Lawrie Insurance re insuring property; t/c Rocco (Lockit Security) re changing locks on premises (.5);T/C's, emails Dileep re obtaining previous insurance policy for Chad to review, obtaining keys to premises, to send cheques on hand to us for deposit (.4);receive and review Phase 2 Environmental Report from Rubicon(.3); emails and t/c's with Michael Rotsztain at Goldman Sloan Nash Haber re acting for Receiver, further discussions after conflict clearance and then emails and phone calls with Robert Drake to act for Receiver (.5);</i>	2.40	\$475.00	\$1,140.00
2024-05-25	MMA	<i>Email exchange with R. Tuzi regarding the lock change. Email exchange between C. Brownlee and F. Kisluk regarding insurance coverage.</i>	0.50	\$625.00	\$312.50
2024-05-27	MMA	<i>Received and reviewed order and endorsement. Email sent to D. Patel following up on requested information. Various emails exchanged with D. Patel and F. Kisluk regarding payment of retainer and cheques for pick up and deposit.</i>	0.80	\$625.00	\$500.00
2024-05-28	MMA	<i>Provided information to C. Brownlee for insurance quote.</i>	0.10	\$625.00	\$62.50
2024-05-28	FKI	<i>Left tel. message for Mr. Saleh re arranging to pick up government cheques for Welland and Newcastle</i>	0.10	\$475.00	\$47.50
2024-05-29	FKI	<i>T/C Chad re binding coverage</i>	0.20	\$475.00	\$95.00
2024-05-29	MMA	<i>Email exchange with R. Drake to have MSI registered on title.</i>	0.20	\$625.00	\$125.00
2024-05-30	EST	<i>E-file NOR to OSB; mailing to creditors; order and install license; requisition for payment.</i>	0.90	\$250.00	\$225.00
2024-05-30	FKI	<i>T/C's Chad to provide list of missing information for insurance (.1); t/c Dileep re obtaining current creditor listing (.1); Prepare Receiver report to OSB (.5); emails to/from Dileep/Chad to obtain additional information for insurance coverage (.3)</i>	1.00	\$475.00	\$475.00
2024-05-30	MMA	<i>Email exchange with D. Patel and F. Kisluk to confirm secured and unsecured amounts owed. Reviewed and executed notice and statement of receiver.</i>	0.60	\$625.00	\$375.00
2024-05-31	MMA	<i>Received receivership certificate from OSB. Various emails exchanged with C. Brownlee and F. Kisluk regarding insurance for the property.</i>	0.60	\$625.00	\$375.00



November 4, 2024

Invoice #: 12843

LAKE TRADING WELLAND INC.

INVOICE

2024-06-03	FKI	<i>Correspondence with Chad Brownlee and Dileep re finalizing insurance on property</i>	0.40	\$475.00	\$190.00
2024-06-04	FKI	<i>Send security documents re Ally and Parkland emails, docs to Robert Blake to review all, confirm Ally security and comment re Parkland position</i>	0.50	\$475.00	\$237.50
2024-06-04	MMA	<i>Email exchange with M. Crilly and M. Vine regarding update on the site.</i>	0.10	\$625.00	\$62.50
2024-06-05	FKI	<i>Attend Welland station with Locksmith, changed locks, reviewed premises, found no security in place, spoke with ADT but outstanding \$728 bill, arranging for alternate security with assistance of Rocco (Lockit) Time: travel to Welland - 2.0 less travel from home (1.5), time at premises (1.4); travel to office (2.5)</i>	5.40	\$475.00	\$2,565.00
2024-06-05	MMA	<i>Various emails exchanged regarding lock change of the building.</i>	0.30	\$625.00	\$187.50
2024-06-06	FKI	<i>T/C Rocco re security; Rocco to arrange new coverage</i>	0.20	\$475.00	\$95.00
2024-06-06	MMA	<i>Email exchange with F. Kisluk and D. Kumar regarding file status. Email exchange with R. Purdy and F. Kisluk regarding property valuation.</i>	0.30	\$625.00	\$187.50
2024-06-07	FKI	<i>Numerous t/c's, emails with Chad re insurance coverage; t/s's and emails with Rob Purdy (Colliers) re valuation of Station; emails with Dileep re additional information on premises and Pollution coverage information; received authorization from Ally to deposit Newcastle cheques to Welland account as loan to Receiver</i>	2.00	\$475.00	\$950.00
2024-06-07	MMA	<i>Email exchange with D. Kumar and F. Kisluk regarding file status, arranging a meeting with M. Vine and property appraisals.</i>	0.30	\$625.00	\$187.50
2024-06-10	MMA	<i>Email exchange with F. Kisluk, M. Vine and D. Kumar regarding setting up a meeting to discuss file. Review and execute insurance documents. Email exchange with F. Kisluk regarding listing of the property.</i>	0.80	\$625.00	\$500.00
2024-06-11	FKI	<i>T/C Dileep, Melinda Vine to review Receivership procedures, valuations, listing for sale process (.5); t/c Rocco Tuzo to review security coverage, clean-up, discussion re break-in, planned inspection schedule (.6); received reviewed letter from Rubicon (as requested) providing Receiver reliance on their Phase II Environmental Assessment (.3)</i>	1.40	\$475.00	\$665.00



November 4, 2024

Invoice #: 12843

LAKE TRADING WELLAND INC.

INVOICE

2024-06-11	MMA	Receive and review phase 2 report. Email exchange with M. Crilly, M. Vine and F. Kisluk regarding potential buys and documentation supporting secured claim.	0.40	\$625.00	\$250.00
2024-06-12	MMA	Email exchange with F. Kisluk and K. Avison regarding listing of the property.	0.10	\$625.00	\$62.50
2024-06-12	FKI	Received email from Dileep advising his appraiser refused to do job since company in formal Receivership and we should proceed with replacement valuation (.1); t/c Robert Blake re email from Parkland, asked him to review Parkland supply contract in anticipation of court matter; Robert to speak with Morgan Crilly (inhouse counsel) (.5); received t/c from Vijaykumar Patel (416-835-5402) interested in purchasing station, to call him once listed with AvisonYoung (.3); T/C Kelly Avison to review issues leading to appointment, sent email with details of property, pictures, awaiting listing agreement(.5)	1.30	\$475.00	\$617.50
2024-06-13	FKI	T/C Alex Fraser re obtaining 2nd valuation	0.10	\$475.00	\$47.50
2024-06-13	MMA	Email exchange with F. Kisluk and K. Avison regarding marketing proposal.	0.10	\$625.00	\$62.50
2024-06-14	MMA	Received email from D. Daly advising of amount owed to the City of Welland for property tax arrears.	0.10	\$625.00	\$62.50
2024-06-17	FKI	June 14 - Email from Daniel Bernstein LLB for client interested in bidding; advised listing soon and to advise (.1); emails, t/c's re organizing valuation through Avison Young, discussion, decision to use Opinion of Value from Avison Young, checked status of Colliers valuation (1.0)	1.10	\$475.00	\$522.50
2024-06-18	MMA	Received and reviewed opinion of value from K. Avison. Discussed commission agreement with F. Kisluk.	0.20	\$625.00	\$125.00
2024-06-18	FKI	T/C Kelly Avison, discussion and review of opinion letter now acceptable	0.10	\$475.00	\$47.50
2024-06-19	FKI	Receive and review email from Robert Drake re Parkland supply contract, read correspondence with Parkland's solicitor, final reported position was Parkland will vacate contract if ordered by court, without argument; forwarded to Mukul (.4); correspondence and invoices received from Secure Tech Alarm re Welland new alarm system, correspondence with Rocco re installation fees (.4)	0.80	\$475.00	\$380.00
2024-06-20	FKI	Received completed Pollution questionnaire and sent to Chad for coverage, reviewed and prepared Sure Tech invoices for payment	0.40	\$475.00	\$190.00



November 4, 2024

Invoice #: 12843

LAKE TRADING WELLAND INC.

INVOICE

2024-06-21	GGO	<i>Review and approve disbursements.</i>	0.10	\$625.00	\$62.50
2024-06-21	MMA	<i>Received and reviewed draft listing agreement from K. Avison.</i>	0.40	\$625.00	\$250.00
2024-06-21	FKI	<i>Received enquiry from Sutha Guna re Welland - advised will send information when listed (.3); t/c's Kelly, received draft listing agreement - reviewed, copied to Mukul for comments (.3)</i>	0.60	\$475.00	\$285.00
2024-06-25	MMA	<i>Provided update on file to D. Patel advising on listing of property and existing interested party. Email exchange with F. Kisluk and R. Drake regarding listing agreement.</i>	0.50	\$625.00	\$312.50
2024-06-26	FKI	<i>Received from Dileep unsigned copy of prior offer to purchase for \$5.9 mill, t/c's Robert Drake, Melinda (.4); conference call Dileep, Melinda, FK to review approach and agreement to use offer as Stalking Horse, emails Mukul, Melinda, Robert re attending court for order to proceed with Stalking Horse - Robert to proceed (.5); t/c Kelly Avison to advise we are not listing (.1)</i>	1.00	\$475.00	\$475.00
2024-06-26	MMA	<i>Email exchange with M. Vine and F. Kisluk advising that the stalking horse sale process be pre-approved by the court. Received and reviewed original draft offer received from F. Kisluk.</i>	0.30	\$625.00	\$187.50
2024-07-04	FKI	<i>T/C with Dileep - updated re process (.3); T/C Drake re drafting SPA (.1)</i>	0.40	\$475.00	\$190.00
2024-07-05	FKI	<i>T/C Drake re preparing SPA - will provide our precedent</i>	0.20	\$475.00	\$95.00
2024-07-06	IFR	<i>Issue cheques, Deposit.</i>	0.20	\$150.00	\$30.00
2024-07-09	GGO	<i>Receive and review bank reconciliation.</i>	0.10	\$625.00	\$62.50
2024-07-11	FKI	<i>T/C Robert Drake to review process, to confirm approach with Melinda</i>	0.30	\$475.00	\$142.50
2024-07-12	FKI	<i>Receive and review email from Drake with several options to proceed; to review with Mukul on Monday</i>	0.20	\$475.00	\$95.00
2024-07-15	MMA	<i>Email exchange with R. Drake and F. Kisluk regarding sales process.</i>	0.20	\$625.00	\$125.00
2024-07-18	MMA	<i>Email exchange with F. Kisluyk and Dileep regarding form of offer.</i>	0.30	\$625.00	\$187.50
2024-07-19	FKI	<i>T/C Dileep, reviewed issues re hourly rate and discount being provided, methodology for sale without formal RE agent, as requested by Dileep</i>	0.40	\$475.00	\$190.00
2024-07-19	MMA	<i>Email exchange with M. Vine, F. Kisluk, R. Drake and D. Kumar regarding APS.</i>	0.20	\$625.00	\$125.00



November 4, 2024

Invoice #: 12843

LAKE TRADING WELLAND INC.

INVOICE

2024-07-22	FKI	<i>Email Rocco re gas pump inspection; email exchange with Chad re insurance coverage for Pollution Insurance - not available in this circumstance where station not operating</i>	0.30	\$475.00	\$142.50
2024-07-22	MMA	<i>Received and reviewed commercial insurance policy as received from T. Gentle.</i>	0.20	\$625.00	\$125.00
2024-07-23	MMA	<i>Receive and review teaser sale of assets document for comment.</i>	0.30	\$625.00	\$187.50
2024-07-24	FKI	<i>T/C Drake re drafting SPA;</i>	0.20	\$475.00	\$95.00
2024-07-25	MMA	<i>Received email from R. Drake asking if M. Vine is the one to negotiate the agreement.</i>	0.10	\$625.00	\$62.50
2024-07-26	MMA	<i>Email received from D. Kumar requesting APS. Email sent to R. Drake to forward APS to M. Vine for review and comment.</i>	0.20	\$625.00	\$125.00
2024-07-29	FKI	<i>Numerous Emails received, sent July 22 through July 29 with Robert Drake re drafting of SPA, changes made at request of Melinda Vine</i>	1.80	\$475.00	\$855.00
2024-07-30	FKI	<i>Correspondence with Robert Drake and Melinda Vine, Dileep, re finalization of draft SPA</i>	0.60	\$475.00	\$285.00
2024-07-30	MMA	<i>Received and reviewed form of offer. Forwarded form of offer to D. Patel to pass on to potential buyer.</i>	0.40	\$625.00	\$250.00
2024-08-01	GGO	<i>Receive and review bank reconciliation.</i>	0.10	\$625.00	\$62.50
2024-08-06	IFR	<i>Issue chqs</i>	0.30	\$150.00	\$45.00
2024-08-08	FKI	<i>T/C Robert Drake re organizing work for file, reviewed time to date and considered estimate for going forward; considerations re cash components to cover Parkland security, property taxes, fess, other disbursements</i>	0.40	\$475.00	\$190.00
2024-08-12	FKI	<i>Conference call with Dileep, Melinda Vine, Sutha (Stalking Horse buyer), Robert Drake, FSK - reviewed several issues re drafting offer - include provision for Parkwood, deposit \$100,000 on filing, \$300,000 on closing, VTB over 24 months,</i>	0.50	\$475.00	\$237.50
2024-08-14	FKI	<i>Time spent preparing Receiver's First Report for Court</i>	1.00	\$475.00	\$475.00
2024-08-16	MMA	<i>Email exchange with F. Kisluk and R. Drake regarding a meeting with the purchaser's lawyer.</i>	0.10	\$625.00	\$62.50



November 4, 2024

Invoice #: 12843

LAKE TRADING WELLAND INC.

INVOICE

2024-08-19	FKI	<i>Drafting 1st Report of Receiver; review legal opinion received from Robert Drake on validity of Awadh mortgage; brief call with Rene Telegar at CRA to check re any o/s returns or balances (2.1); correspondence to/from and phone call with Mary at City of Welland re checking amount of outstanding property taxes (.4)</i>	2.50	\$475.00	\$1,187.50
2024-08-20	FKI	<i>Received correspondence from City of Welland, confirmed balance o/s is \$101,000; t/c Drake to confirm security opinion is acceptable ion format, discussion re structure and content of Receiver's First Report to Court</i>	0.40	\$475.00	\$190.00
2024-08-23	GGO	<i>Review and approve disbursement.</i>	0.10	\$625.00	\$62.50
2024-08-29	FKI	<i>August 22 and Aug 23 - several email exchanges and call with Robert Drake re terms proposed for Stalking Horse offer (.4); Emails to/from Dileep re terms of offer from Sutha and changes needed to be made (.4)</i>	0.80	\$475.00	\$380.00
2024-08-29	MMA	<i>Email exchange with F. Kisluk and D. Kumar regarding offer.</i>	0.20	\$625.00	\$125.00
2024-09-03	GGO	<i>Receive and review bank reconciliation.</i>	0.10	\$625.00	\$62.50
2024-09-08	IFR	<i>Issue chqs.</i>	0.20	\$150.00	\$30.00
2024-09-16	FKI	<i>Sept.5 - 2 t/c's and emails from car wash neighbour re lighting off at station at night; advised Rocco (.4); Sept 6 - t/c from Rocco - fixed lighting problem, discussed reducing frequency of security visits to twice a week (.3)</i>	0.70	\$475.00	\$332.50
2024-09-17	FKI	<i>Sept.16 - t/c Dileep , sent email explaining need for larger deposit in Stalking Horse offer; reviewed with Mukul (.6); Sept.17 - t/c with Dileep, looking for assistance in getting offer finalized from Sutha, wants Melinda Vine to draft offer, FK will contact Robert Drake to deal with getting written offer from Sutha's lawyer, left phone message for Drake (.5)</i>	1.10	\$475.00	\$522.50
2024-09-17	MMA	<i>Email exchange with D. Kumar and F. Kisluk regarding counter offer.</i>	0.20	\$625.00	\$125.00
2024-09-18	HSI	<i>banking</i>	0.20	\$150.00	\$30.00
2024-09-19	MMA	<i>Email exchange with F. Kisluk and D. Patel regarding stalking horse offer and outstanding charges to pay.</i>	0.20	\$625.00	\$125.00
2024-09-27	MMA	<i>Received update on file from F. Kisluk.</i>	0.10	\$625.00	\$62.50
2024-09-30	GGO	<i>Receive nd review bank reconciliation.</i>	0.10	\$625.00	\$62.50



SPERGEL

105
msi Spergel inc., Licensed Insolvency Trustees
Head Office: 200 Yorkland Blvd., Suite 1100
Toronto, ON., M2J 5C1
T: 416 497 1660 ● F: 416 494 7199
www.spergel.ca

November 4, 2024

Invoice #: 12843

LAKE TRADING WELLAND INC.

INVOICE

2024-09-30	FKI	<i>Sept.17 - email from Dileep confirming they cannot get Sutha to change cash amount in offer, request to get Stalking Horse from Sutha as offered(.1); corr to/from Drake re issue (.1) Sept.19 - received and reviewed correspondence from Drake re Parkland position on loan balance (.2), correspondence to/from Dileep - confirming Ally will pay Parkland and City of Welland taxes, will advance funds (.3);Sept.26 - emails to/from Dileep re getting finalized offer signed by Sutha (.2); Sept.27 - video call with Dileep, Melinda, Drake, FSK - discussion and decisions re final process to get Stalking Horse and funding of \$150,000 for Receiver (.6); Sept.24 - email exchange with Paul Hewitt (re Parkland) 905-359-4025 re interested party (.2);received email from Dileep re collection letter from NCR re First Insurance debt on premises, reviewed letter, advised First Insurance of Receivership (.6);</i>	2.30	\$475.00	\$1,092.50
2024-09-30	MMA	<i>Email exchange with D. Kumar regarding the shortage of funds and finalizing the agreement.</i>	0.10	\$625.00	\$62.50
Professional Services Total:			50.00		\$25,190.00
Reimbursable Expenses					
2024-08-22	NTA				\$12.81
Reimbursable Expenses Total:			1.00		\$12.81

Title	Fee Affidavit AALAKW-R
File name	AALAKW-R_MSI_Fee_Affidavit.pdf
Document ID	9e2c0345de729d646f03568624e52ec45d3543e4
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document history

 SENT	11 / 05 / 2024 16:54:22 UTC-5	Sent for signature to Mukul Manchanda (mmanchanda@spergel.ca) from msispergelinc@gmail.com IP: 104.171.204.20
 VIEWED	11 / 05 / 2024 16:54:42 UTC-5	Viewed by Mukul Manchanda (mmanchanda@spergel.ca) IP: 154.17.133.136
 SIGNED	11 / 05 / 2024 16:54:55 UTC-5	Signed by Mukul Manchanda (mmanchanda@spergel.ca) IP: 72.143.195.45
 COMPLETED	11 / 05 / 2024 16:54:55 UTC-5	The document has been completed.

Tab 6

Court File No. CV-24-00014901-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

ALLY AWADH

Applicant

-and-

LAKE TRADING WELLAND INC.

Respondent

AFFIDAVIT OF ROBERT J. DRAKE
(Affirmed November 5, 2024)

I, Robert J. Drake, of the City of Toronto, hereby SOLEMNLY AFFIRM:

1. I am a barrister and solicitor qualified to practice in the Province of Ontario and am a partner with the law firm of Goldman Sloan Nash & Haber LLP (“**GSNH**”) and therefore have knowledge of the matters in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.
2. GSNH are lawyers of record for msi Spergel inc. in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of Lake Trading Welland Inc. (the “**Debtor**”) in these proceedings.
3. Attached as **Exhibit “A”** to this affidavit is a copy GSNH’s account to the Receiver for fees and disbursements incurred by GSNH with respect to the Debtor in the course of this proceeding for

the period from May 29, 2024 to October 30, 2024. The total fees charged by GSNH during this Period were \$24,132.50 plus total disbursements of \$198.45, plus total Harmonized Sales Tax (HST) in the amount of \$3,161.99 for a total of \$27,492.94.

4. The average hourly rate charged for the invoices set out in Exhibit “A” is \$424.12. That is comprised of hours docketed by the following timekeepers at GSNH with the corresponding hourly rates:

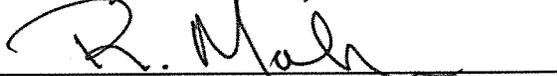
PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Robert Drake	56.70	425.00	24,097.50
Verna French	0.2	175.00	35.00
TOTAL	56.9		24,132.50

5. To the best of my knowledge the rates charged by GSNH throughout the course of this proceeding are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

6. The hourly billing rates outlined above are comparable to the hourly rates charged by GSNH for services rendered in relation to similar proceedings.

7. I make this affidavit in support of a motion by the Monitor for, among other things, approval of the fees and disbursements of GSNH as its counsel for the fees and disbursements of GSNH as its counsel for the period from May 29, 2024 to October 30, 2024.

AFFIRMED before me at the City of Toronto,
in the Province of Ontario
this 5th day of November, 2024



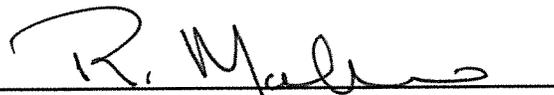
A Commissioner for taking oaths, etc.

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ROBERT J. DRAKE

*This is **Exhibit "A"** referred to
in the Affidavit of Robert Drake
sworn before me this 5th day of November, 2024*

A handwritten signature in black ink, appearing to read "R. M. [unclear]", written over a horizontal line.

A Commissioner for taking oaths, etc.



Suite 1700
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

msi Spergel Inc.
200 Yorkland Blvd.
Suite 1100
Toronto, ON M2J 5C1
Canada

Billing Lawyer Robert Drake
Invoice No. 200480
HST # 12233 6290 RT0001
Invoice Date November 4, 2024

Attention: Mr. Frank Kisluk

Client ID: 100071 Matter ID: 0023

RE: Lake Trading Welland

FOR PROFESSIONAL SERVICES RENDERED

Date	Professional	Hours	Narrative	Amount
05/29/24	RJD	0.40	Correspondence with F. Kisluk re receivership order and appointment; performing property searches; correspondence with S. Nash re registration of order on title to debtor;	170.00
05/30/24	RJD	0.40	Receipt of registered receivership order; email correspondence with F. Kisluk re strategy of receivership proceedings;	170.00
06/04/24	RJD	0.40	Phone call with the Receiver re security review and plan for solicitation process;	170.00
06/12/24	RJD	0.60	Email and phone correspondence with F. Kisluk re update on receivership and next-steps; phone call to counsel to Parkland - left message; email correspondence with counsel to Parkland;	255.00
06/17/24	RJD	0.40	Email correspondence with counsel to Parkland re phone call; phone call to M. Crilly - left message; further correspondence with M. Crilly;	170.00
06/18/24	RJD	0.80	Phone call with counsel to Parkland re receivership and sale issues;	340.00



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

Client ID: 100071 Matter ID: 0023 Invoice: 200480

Date	Professional	Hours	Narrative	Amount
06/19/24	RJD	0.70	Receipt and review of email from counsel to Parkland re receivership issues; drafting email to F. Kisluk re summary of phone call and summary of Parkland's issues;	297.50
06/25/24	RJD	0.60	Receipt and review of correspondence from F. Kisluk re listing agreement; revising Schedule A to same; continued correspondence re listing agreement with F. Kisluk;	255.00
06/26/24	RJD	0.60	Email correspondence with stakeholders re purchase issues; phone calls with F. Kisluk re same; review of original offer to purchase;	255.00
06/27/24	RJD	0.50	Correspondence with M. Vine re receivership issues; phone call with M. Vine re sales process issues;	212.50
06/28/24	RJD	0.90	Email correspondence with F. Kisluk re potential timing of sales process order; determining motion list for Welland; case law research on vesting out fuel supply agreement;	382.50
07/02/24	RJD	0.20	Receipt and review of contact info of stalking horse bidder from M. Vine; email correspondence with F. Kisluk re same;	85.00
07/05/24	RJD	0.60	Phone call and email correspondence with F. Kisluk re update on status of receivership and discussion of stalking horse process; correspondence with S. Nash re form of APS;	255.00
07/08/24	RJD	0.60	Meeting with S. Nash to discuss suitability of expired agreement of purchase and sale;	255.00
07/09/24	RJD	0.40	Email correspondence with F. Kisluk re form of purchase agreement; correspondence with S. Nash re same;	170.00
07/10/24	RJD	3.40	Correspondence with the Receiver re receivership issues; review of applicant's security;	1,445.00
07/11/24	RJD	1.30	Phone calls and emails with F. Kisluk re sales process issues;	552.50
07/12/24	RJD	0.30	Receipt and review of correspondence from M. Vine re update; drafting replies re same; correspondence with F. Kisluk re same;	127.50
07/16/24	RJD	0.30	Receipt of voicemail from F. Kisluk; phone call with F. Kisluk re sales process issues;	127.50
07/19/24	RJD	2.50	Phone call with M. Vine re stalking horse agreement; revising draft APS re same;	1,062.50
07/22/24	RJD	1.50	Revising form of draft agreement of purchase and sale for use in stalking horse sales process;	637.50
07/24/24	RJD	2.80	Meeting with S. Nash re form of agreement of	1,190.00

Date	Professional	Hours	Narrative	Amount
			purchase and sale; reviewing security documents for Pioneer's title to assets and unsold fuel; conference call with S. Nash and F. Kisluk re form of agreement;	
07/25/24	RJD	0.80	Review of revised form of agreement of purchase and sale; correspondence with F. Kisluk re same;	340.00
07/26/24	RJD	0.10	Receipt and review of email from F. Kisluk re form of APS; email correspondence with M. Vine re same;	42.50
07/29/24	RJD	2.20	Email correspondence with M. Vine re revised form of stalking horse agreement of purchase and sale; receipt and review of reply; drafting further email; email correspondence with F. Kisluk re same;	935.00
07/29/24	RJD	1.40	Correspondence with M. Vine re sales process issues; revising agreement of purchase and sale; further correspondence with M. Vine re same; phone call and email correspondence with F. Kisluk re update and next steps;	595.00
07/30/24	RJD	0.50	Email correspondence with F. Kisluk re revisions to draft APS; making revisions; email correspondence with potential stalking horse purchaser re form of draft APS;	212.50
08/06/24	RJD	1.00	Email correspondence with M. Vine re purchaser issues; correspondence with F. Kisluk re same;	425.00
08/07/24	RJD	0.30	Receipt of voicemail from F. Kisluk re sales process issues; email correspondence with F. Kisluk re same;	127.50
08/08/24	RJD	0.40	Phone call with F. Kisluk re update on sales process issues;	170.00
08/09/24	RJD	0.20	Phone calls with F. Kisluk re update on potential meeting with purchaser; receipt and review of correspondence re same;	85.00
08/12/24	RJD	0.50	Conference videocall with F. Kisluk, M. Vine, Dileep, Sutha, and Mathen re stalking horse purchase issues;	212.50
08/13/24	RJD	0.20	Drafting email correspondence to counsel for prospective purchaser;	85.00
08/16/24	RJD	2.00	Receipt and review of correspondence from counsel for the purchaser re APS; correspondence with S. Nash re same; correspondence with counsel for the prospective purchaser re same;	850.00
08/19/24	RJD	0.30	Receipt and review of certified PPSA search; finalizing security opinion; email correspondence with F. Kisluk re same;	127.50
08/19/24	VF	0.20	Obtained a certified PPSA Search for Lake Trading	35.00

Date	Professional	Hours	Narrative	Amount
			Welland Inc.; forward same to R. Drake;	
08/20/24	RJD	0.20	Phone call with F. Kisluk re update on security opinion and upcoming call to discuss APS;	85.00
08/22/24	RJD	1.00	Meeting with S. Nash re preparation for upcoming call with solicitors for purchaser; phone call; drafting reporting email to F. Kisluk re same;	425.00
08/23/24	RJD	1.30	Receipt and review of correspondence from counsel to prospective purchaser re deal terms; drafting reply re same; correspondence with F. Kisluk re same; correspondence with M. Vine re same;	552.50
08/29/24	RJD	0.10	Receipt and review of correspondence from F. Kisluk re receivership issues;	42.50
09/04/24	RJD	0.10	Email correspondence with M. Vine re update on sales process;	42.50
09/11/24	RJD	0.40	Receipt and review of correspondence from counsel to the prospective Stalking Horse purchaser re offer; drafting reply re same; correspondence with F. Kisluk re same; correspondence with M. Vine re same;	170.00
09/18/24	RJD	1.30	Receipt and review of correspondence from F. Kisluk re revision of agreement to purchase; phone call with F. Kisluk re same; email correspondence with counsel to prospective purchaser; receipt and review of correspondence from counsel to Parkland; phone call to counsel at Parkland - left message; drafting responding email to counsel at Parkland; correspondence with F. Kisluk re same;	552.50
09/19/24	RJD	0.80	Receipt and review of correspondence from counsel to Parkland re forgivable loan; drafting reply re same; correspondence with F. Kisluk re same; receipt and review of correspondence from M. Vine; drafting reply re same;	340.00
09/20/24	RJD	0.20	Correspondence with F. Kisluk re estate issues;	85.00
09/25/24	RJD	1.10	Email correspondence with counsel to Parkland re setting up call; receipt and review of correspondence from counsel to potential purchaser re stalking horse offer; correspondence with F. Kisluk re same; phone call with F. Kisluk re same;	467.50
09/26/24	RJD	0.30	Email correspondence with F. Kisluk re stalking horse offer issues; correspondence with stakeholders re conference call to discuss offer;	127.50
09/27/24	RJD	0.80	Conference call with F. Kisluk, M. Vine, and Dileep re status of stalking horse deal; phone call with F. Kisluk re same; correspondence with counsel to Parkland re phone call;	340.00

Date	Professional	Hours	Narrative	Amount
10/01/24	RJD	1.60	Email correspondence with F. Kisluk re commitment for cash from vendor; phone call to counsel to Parkland; email correspondence with F. Kisluk re revisions to stalking horse agreement;	680.00
10/03/24	RJD	1.30	Receipt and review of correspondence from Dileep re status; drafting reply re same;	552.50
10/07/24	RJD	2.90	Drafting, reviewing, and revising funding agreement; email correspondence with F. Kisluk re same; phone call with F. Kisluk re receivership and sale issues; review of file for ways of financing stalking horse offer; email correspondence with F. Kisluk re same; correspondence with M. Vine re same;	1,232.50
10/09/24	RJD	0.60	Email correspondence with F. Kisluk re update; receipt and review of same; drafting email to stakeholders re funding mechanism to proceed with stalking horse agreement;	255.00
10/10/24	RJD	2.00	Receipt and review of email from Dileep re changes to stalking horse offer; drafting stalking horse motion materials;	850.00
10/11/24	RJD	0.80	Continued drafting of stalking horse motion materials;	340.00
10/15/24	RJD	0.60	Receipt and review of email correspondence from D. Kumar re update; drafting reply re same; phone call with F. Kisluk re same; correspondence with counsel for stalking horse purchaser re terms of agreement;	255.00
10/16/24	RJD	2.40	Revising stalking horse agreement; drafting sales process motion materials;	1,020.00
10/17/24	RJD	1.10	Preparation of motion materials for upcoming sales process approval motion;	467.50
10/18/24	RJD	0.50	Correspondence with D. Kumar re status of stalking horse agreement; correspondence with counsel for Sutha re time to discuss draft agreement;	212.50
10/21/24	RJD	3.10	Receipt and review of email from D. Kumar re form of agreement; preparation for call with opposing counsel re timelines for closing stalking horse agreement; correspondence with F. Kisluk re timing of motions and closing dates; phone call with counsel to the purchaser re finalizing agreement of purchase and sale; drafting approval and vesting order; correspondence with counsel to the purchaser re same; correspondence with D. Kumar re same;	1,317.50
10/29/24	RJD	1.40	Preparation of SISP timeline materials; correspondence with F. Kisluk re same;	595.00

Client ID: 100071 Matter ID: 0023 Invoice: 200480

Date	Professional	Hours	Narrative	Amount
10/30/24	RJD	0.70	Correspondence and phone call with F. Kisluk re form of receiver's report;	297.50

Sub-Total Fees: 24,132.50

HST on Fees: 3,137.23

DISBURSEMENTS

08/19/2024	ESC Corp. Fee	17.95
	Teraview Search Disbursement	120.15
	Teraview Search Disbursement - Statutory Fee	52.35
	ESC Corporate Services Ltd.; INVOICE#: 35124439	8.00
	- ON Debtor Search (Certified) *	

Sub-Total Disbursements: 198.45
Disbursements marked with * indicate exempt

HST on Disbursements: 24.76

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$3,161.99 HST): \$ 27,492.94

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP



Per: Robert Drake

E. & O. E.



Suite 1700
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

Remittance Advice

msi Spergel Inc.
200 Yorkland Blvd.
Suite 1100
Toronto, ON M2J 5C1
Canada

Attention: Mr. Frank Kisluk

Invoice No. 200480
Invoice Date: November 4, 2024

Client ID: 100071
Matter ID: 0023
Billing Attorney: RJD

Current Billing:	27,492.94
Previous Balance:	0.00
Total Amount:	27,492.94
Amount Remitted:	\$ _____

ALLY AWADH

Applicant

-and-

LAKE TRADING WELLAND INC.

Respondent

Court File No. CV-24-00014901-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Welland, Ontario

**FEE AFFIDAVIT OF ROBERT DRAKE
(Affirmed on November 5, 2024)**

**GOLDMAN SLOAN NASH & HABER
LLP**

Barristers and Solicitors
Suite 1600, 480 University Avenue
Toronto, Ontario, M5G 1V2
Fax: 416-597-3370

Robert J. Drake [LSUC No. 57083G]

Tel: 416-597-5014

Email: drake@gsnh.com

Lawyers for the Receiver, msi Spergel Inc.

Tab 7

District of Ontario
 Division No. 09 - Toronto
 Court No. 31-459883
 Estate No. 31-459883

**In the Matter of the Receivership of
 LAKE TRADING WELLAND INC.
 of the City of Toronto, in the Province of Ontario**
 Form 12
 Interim Statement of Receipts and Disbursements

Interim

RECEIPTS

1. Tax Refund		
HST Refund	30,465.41	30,465.41
2. Miscellaneous		
Interest allocation	366.14	366.14
TOTAL RECEIPTS		30,831.55

DISBURSEMENTS

3. Fees Paid		
To official receiver	80.42	80.42
4. Premium		
Insurance	5,878.44	5,878.44
5. Federal and Provincial taxes		
HST paid on disbursements exclusive of fees	1,263.04	1,263.04
6. Miscellaneous		
Transfer Funds To other Accounts	-4,823.53	
Travel	187.60	
Security	7,390.70	
Repairs & maintenance	2,325.00	
Ascend License Fee	325.00	
HST on Ascend License Fee	42.25	5,447.02
TOTAL DISBURSEMENTS		12,668.92

Note: How much of the total disbursements was paid for services provided by persons related to the trustee? 0.00

Amount available for distribution		18,162.63
7. Levy payable under section 147 of the Act		0.00
8. Unsecured creditors		
Proved claims of	0.00	
9. Amount retained in the Trust account by the Trustee:		18,162.63

Dated at the City of Toronto in the Province of Ontario, this 5th day of November 2024.

msi Spergel inc. - Licensed Insolvency Trustee

200 Yorkland Blvd., Suite 1100
 Toronto ON M2J 5C1
 Phone: (416) 497-1660 Fax: (416) 494-7199

Tab C

Court File No.: CV-24-00014901-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
)
JUSTICE) DAY OF , 2024

ALLY AWADH

Applicant

-and-

LAKE TRADING WELLAND INC.

Respondent

SALE PROCESS ORDER

THIS MOTION, made by **msi Spergel Inc.** (“**Spergel**”), in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of all the assets, undertakings, and property of Lake Trading Welland Inc. (the “**Debtor**”) for an order, among other things, approving a sale process (the “**Sale Process**”) was heard this day at 102 East Main Street, Welland, Ontario.

ON READING the Motion Record in respect of this motion including the First Report of the Receiver dated November 5, 2024 (the “**First Report**”), filed;

AND UPON hearing the submissions of counsel for the Receiver and such other counsel who were present, no one else appearing although duly served as appears from the affidavit of service of sworn , 2024, filed.

SERVICE AND DEFINITIONS

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

SALE PROCESS

3. **THIS COURT ORDERS** that the Sale Process is hereby approved and the Receiver is hereby authorized to implement the Sale Process pursuant to the terms thereof. The Receiver is hereby authorized to perform all things reasonably necessary to carry out the Sale Process.
4. **THIS COURT ORDERS** that the Receiver shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Sale Process, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or willful misconduct of the Receiver in performing its obligations under the Sale Process, as determined by this Court.

STALKING HORSE APS

5. **THIS COURT ORDERS** that the agreement of purchase and sale dated as of October 21 2024, (the “**Stalking Horse APS**”) between the Receiver and Suthaharan Gunasegaram (for a company to be incorporated) (in such capacity, the “**Stalking Horse Bidder**”) is hereby approved solely as the stalking horse bid in the Sale Process, provided that, nothing herein approves: (i) the acceptance and/or execution of the Stalking Horse APS by the Receiver; or (ii) the sale and the

vesting of any Property to the Stalking Horse Bidder pursuant to the Stalking Horse APS, and the approval and acceptance and execution of the Stalking Horse APS and/or any sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court.

FEE APPROVAL

6. **THIS COURT ORDERS** that that the fees and disbursements of the Receiver and its counsel for the periods of May 8, 2024 to September 30, 2024 (for the Monitor) and May 29, 2024 to October 30, 2024 (for the Monitor's counsel) as set out in the First Report and the filed fee affidavits, be and hereby are approved.

SEALING

7. **THIS COURT ORDERS** that Confidential Appendix "A" and Confidential Appendix "B" attached to the First Report are hereby sealed and shall not form part of the public record pending completion of the sales process or further order of this court.

GENERAL

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any foreign jurisdiction, 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 and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, in

each case 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.

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date it is made without any need for entry and/or filing.

ALLY AWADH
Applicant

-and-

LAKE TRADING WELLAND INC.
Respondents

Court File No.: CV-24-00715326-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Welland, Ontario

SALE PROCESS ORDER

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Lawyers for the Receiver, msi Spergel Inc.

Tab D

Court File No. CV-24-00014901-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ALLY AWADH

Applicant

-and-

LAKE TRADING WELLAND INC.

Respondent

**SERVICE LIST
(as of November 5, 2024)**

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Ally Awadh

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Attention: Dileep Kumar
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AND TO: GOLDMAN SLOAN NASH & HABER LLP

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Lawyers for Proposed Stalking Horse Purchaser

AND TO: ROYAL BANK OF CANADA

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AND TO: THE TDL GROUP CORP.

874 Sinclair Road
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AND TO: MSI SPERGEL INC.

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Attention: Mukul Manchanda

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Morgan Crilly

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AND TO: CITY OF WELLAND

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AND TO: CANADA REVENUE AGENCY

c/o Department of Justice
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Toronto, ON M5H 1T1

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**AND TO: HIS MAJESTY THE KING IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTRY OF FINANCE**

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ALLY AWADH

-and-

LAKE TRADING WELLAND INC.

Applicant

Respondent

Court File No. CV-24-00014901-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Welland, Ontario

MOTION RECORD
(Approval of Sales Process)

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