ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondent

MOTION RECORD (returnable October 29, 2021)

SimpsonWigle LAW LLP 1 Hunter Street East Suite 200 Hamilton, ON L8N 3R1

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Winstone Investments Inc.	mark@centralfairbank.com

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- B Third Report of Receiver dated October 20, 2021

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- Order of the Honourable Justice G. Hainey, dated April 23, 2020, effective June 1,
 2020
- 2. First Report of the Receiver, dated December 18, 2020
- 3. Order of the Honourable Justice G. Hainey, dated January 6, 2021
- 4. Second Report of the Receiver, dated April 15, 2021
- 5. Fifth Addendum to the Sale Agreement dated April 21, 2021
- 6. Approval, Vesting, and Interim Distribution Order dated April 27, 2021
- 7. PDR Investments Ltd. 2nd Mortgage Payout Statement dated as at May 3, 2021
- 8. Fee Affidavit of Trevor Pringle, sworn October 19, 2021
- 9. Fee Affidavit of Timothy Bullock, sworn October 19, 2021
- 10. Fee Affidavit of Troy Pocaluyko, sworn October 18, 2021
- 11. Receiver's Statements of Receipts and Disbursements as at October 19, 2021
- 12. Receiver's Projected Distribution Schedule
- C Draft Order

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondent

NOTICE OF MOTION (returnable October 29, 2021)

msi Spergel Inc. (the "Receiver"), in its capacity as Court-appointed Receiver, without security, of all of the assets, undertakings and properties of the Respondent, New Tecumseth Land Corporation, (the "Debtor""), acquired for, or used in relation to a business carried on by the Debtor, will make a motion to a Judge presiding over the Commercial List on Friday, October 29, 2021 at 12:00 p.m. or as soon after that time as the motion can be heard by judicial teleconference via Zoom at Toronto, Ontario.

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

THE MOTION IS FOR:

 An order, if necessary, abridging the time for and manner of service of this Notice of Motion, the Third Report of the Receiver dated October 20, 2021 (the "Third Report"), and the Motion Record herein and directing any further service of this Notice of Motion, Third Report and Motion Record be dispensed with such that this motion is properly returnable on Friday, October 29, 2021.

- 2. An order approving the Third Report of the Receiver and the activities and conduct of the Receiver contained therein.
- 3. An order that the Receiver's Statement of Receipts and Disbursements as detailed in the Third Report be approved.
- 4. An order approving the fees and disbursements of the Receiver (the "Receiver's Fees") as detailed in the Third Report and authorizing payment of the same.
- 5. An order approving the fees and disbursements of counsel to the Receiver, SimpsonWigle LAW LLP and Wildeboer Dellelce LLP (the "Counsel Fees"), as detailed in the Third Report and authorizing payment of the same.
- 6. An order that after payment of the Receiver's Fees and Counsel Fees, herein approved, and subject to the Receiver maintaining sufficient reserves to satisfy all charges as set out in the Order of Justice Hainey dated April 23, 2020 (the "Appointment Order") and as the Receiver deems necessary to complete the administration of the receivership proceedings, the Receiver be authorized to make a distribution of the proceeds of realization from the Real Property of the Debtor as detailed in the Third Report to the stakeholders of the Debtor, such distribution to be in accordance with the draft Order attached to the Motion Record at Tab C.
- 7. Such further and other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

- 1. On application made by FirstOntario Credit Union Limited ("FirstOntario") pursuant to subsection 243(1) of the Bankruptcy and Insolvency Act (the "BIA") and section 101 of the Courts of Justice Act (the "CJA"), msi Spergel Inc. ("Spergel") was appointed receiver (in such capacity, the "Receiver"), without security, of the assets, undertakings and properties of New Tecumseth Land Corporation ("New Tecumseth" or "Debtor") by Order of the Honourable Justice G. Hainey dated April 23, 2020 effective June 1, 2020 (the "Appointment Order").
- The Debtor held title to vacant industrial land municipally known as 6485 14th Line, (the "Real Property"), located in the Town of Alliston, Ontario (the "Town"). The Real Property is vacant industrial land comprised of 99.44 acres gross, inclusive of 74.07 acres for development.
- 3. The debtor is a single-purpose land development company, which is the registered owner of the Real Property. However, the books and records disclosed that there is a joint venture underlying a proposed development of the Real Property, called New Tecumseth Group Joint Venture (the "Joint Venture"), and there are 34 cotenants involved in the Joint Venture ("Investors"). To date, the Receiver has not been able to locate a joint venture or trust agreement with respect to the Joint Venture.
- 4. Twelve of the thirty-four Investors have initiated legal action against, *inter alia*, the Debtor and Guery Goyo claiming, *inter alia*, damages with respect to an investment in the Debtor (the "Litigant Investors").
- 5. In addition to the aforementioned Investors' the other stakeholders in the Debtor are: (a) unsecured creditors; (b) investors who advanced funds by way of loans to the Debtor with such loans secured by a second mortgage on the Real Property

held by P.D.R. Investments Ltd., as mortgagee ("PDR"); and (c) Investors who also advanced funds to the Debtor which are unsecured loans and evidenced by Promissory Notes ("Promissory Note Holders").

- 6. The Receiver entered into an Agreement of Purchase and Sale (the "Sale Agreement") with respect to the sale of the Real Property as amended, including by way of a Fifth Addendum which Sale Agreement was approved by Order of the Court. The transaction which was the subject of the Sale Agreement was completed on or about July 14, 2021.
- 7. In accordance with the Sale Agreement as amended, the Receiver, on the completion of the transaction which was the subject of the Sale Agreement, received cash proceeds and:
 - (a) 300,000 Class A common shares of Emergia Inc. at a stipulated value of \$1 per share, having an aggregate stipulated value of \$300,000 (the "Receiver's Shares");
 - (b) Subject to compliance with applicable securities laws, the covenant of Emergia Inc. to issue 4,500,000 Class A common shares of Emergia Inc. at a stipulated value of \$1 per share, having an aggregate stipulated value of \$4,500,000 (the "Stakeholder Shares"), which shares were to be issued from time to time following the closing date to certain stakeholders of Tecumseth as directed by the Receiver and approved by the Court (the "Specified Stakeholders").
- 8. Pursuant to the Order of the Court dated April 27, 2021, a portion of the cash proceeds from the Sale Agreement were to be distributed to the Town of New Tecumseth on account of outstanding property taxes and to FirstOntario Credit Union for repayment of its first mortgage on the Real Property and to FirstOntario Credit Union to repay its loan to the Receiver as evidenced by the Receiver's Certificate No. 1.

- 9. The Receiver has made the aforesaid payments described in paragraph 8 above and the remaining cash proceeds held by the Receiver from the completion of the transaction which was the subject of the Sale Agreement in the amount of \$1,488,259.38.
- 10. The Receiver has been advised by the Debtor's counsel, Mr. Ed Upenieks of Lawrence, Lawrence, Stevenson LLP ("Lawrences") that an arrangement (the "Arrangement") has been reached between the remaining stakeholders of New Tecumseth, with respect to the distribution of the balance of the net sale proceeds including the shares of Emergia, as herein after particularized.
- 11. In addition to the creditors outlined in the Approval, Vesting, and Interim Distribution Order mentioned above, the following is a summary of the remaining stakeholders who are eligible for a distribution from the balance of the net sale proceeds from the Sale Agreement including from the remaining cash and shares of Emergia. The summary is based upon information provided by the Debtor and the Receiver's review of the available books and records of the Debtor:

Second Mortgage Holder

- (a) A second in priority mortgage was registered on January 13, 2015 in the principal amount of \$550,000 in favour of P.D.R. Investments Ltd. ("PDR").
- (b) As part of the Arrangement, PDR has agreed to accept the sum of \$995,570.11 in full satisfaction of the aforesaid second in priority mortgage.

Unsecured Creditors

(c) The books and records of New Tecumseth (Account Payable Listings) recorded four unsecured trade creditors with total outstanding indebtedness as at June 18, 2020 in the amount of \$244,316.95. During the course of the receivership, three other unsecured creditors were identified as follows: Teplitsky, Colson LLP, R.D.M. Financial Ltd. and Wildeboer Dellelce LLP.

Lawrences advises that pursuant to the Arrangement, the unsecured creditors of the Debtor, as determined by the Receiver, agreed to accept the following payment from the sale proceeds in full satisfaction of their interest in the net proceeds of sale from the Sale Agreement:

- i. \$141,250.00 to the law firm of Parente Borean (attention Don Parente);
- ii. \$39,550.00 to the law firm of Lawrence, Lawrence, Stevenson LLP;
- iii. \$39,550.00 to the law firm of Teplitsky, Colson LLP;
- iv. \$60,000.00 to R.D.M. Financial Ltd.;
- v. \$18,113.58 to SCS Consulting Group Ltd.; and
- vi. \$3,352.99 to Wildeboer Dellelce LLP.

Lawrences have advised the Receiver that pursuant to the Arrangement that the unsecured trade creditor, Rady-Pentek Edward Surveying has waived any claim to or interest in the net proceeds of the Sale Agreement.

(d) The general ledger system of New Tecumseth details advances made by Investors to New Tecumseth evidenced by way of promissory notes made by New Tecumseth (the "**Promissory Noteholders**"). The total advanced, including accrued interest to May 31, 2020, as calculated by the Debtor, is \$980,652.53 as detailed below:

Name of Promissory Note Holders	Promissory Note Holder's Indebtedness
Italmal Investments Inc.	\$ 35,020.20
Tanview Investments Ltd.	28,225.10
Johnwood Investments Inc.	14,488.20
Spano Family Holdings Inc.	82,231.00
P.D.R. Investments ltd.	77,286.90
859055 Ontario Limited	96,788.63
Frank Giambagno in Trust	85,427.37
Villarboit Investment	287,089.60
Limited	
Villarboit Holdings Ltd.	89,246.93

Andy Vankralingen	25,400.16
Triabacus Capital Corpn	52,803.56
497227 Ont Ltd. (Stefanik)	9,272.05
Lino Di Iorio	66,733.67
Jerry Di Iorio	30,639.16
Total Promissory Note	\$980,652.53
Holder Indebtedness	

Lawrences has advised that each Promissory Note Holder has, pursuant to the Arrangement, agreed to accept the following in full satisfaction of each Promissory Note Holder's Indebtedness:

- payment to the Promissory Note Holders, on a pro-rated basis, of the remaining cash proceeds from the Sale Agreement, with each Promissory Note Holder receiving that percentage of the remaining cash that the subject Promissory Note Holder's Indebtedness is of the Total Promissory Note Holders Indebtedness; and
- ii. delivery to each respective Promissory Note Holder of the number of shares of Emergia required to fully pay the balance of the subject "Promissory Note Holder's Indebtedness", after crediting the aforesaid cash payment delivered pursuant to paragraph (i) above, with each share having a stipulated deemed value of \$1.00 per share.

Equity Holders

(e) In addition to the second mortgage holders/beneficiaries and Promissory Noteholders, the Debtor advises, which is consistent with New Tecumseth's financial statements, that there are 34 equity holders in the Joint Venture ("Investors") as follows:

NON - LAWSUIT INVESTORS:	Percentage Ownership:
1167948 Ontario Inc.	0.77%
2115307 Ontario Limited	2.91%
	2.09%
859055 Ontario Limited	3.07%
Lino Di Iorio, In Trust	1.53%
Louise Di Iorio	1.53%
Fairgreen Ventures Inc.	1.61%
Ferro DeBiasio	1.61%
S.C.R.A.P.S Investments Ltd.	10.48%
Frank Giambagno, In Trust	4.60%
Italmal Investments Inc.	
Johnwood Investments Inc.	1.75%
Philip Lanni	1.53%
Michael and David Di Iorio	1.53%
Michael Di Iorio	0.77%
Ottimo Foods Inc., In Trust	3.07%
P.D.R Investments Ltd	10.48%
Philip Stefaniak	1.53%
R & FS Holdings Inc.	3.84%
Tanview Investments Limited	4.19%
A. Vankralingen & R. Borland	4.19%
Villarboit Investments Limited	3.14%
Winstone Investments Inc.	1.94%
Total:	68.19%
LAWSUIT INVESTORS:	2.30%
1282291 Ontario Limited	1.53%
Paul and Mary Leva	2.30%
594633 Ontario Ltd	
Athabasca Holdings Inc.	2.30%
Michael and Heather Mayhew	1.53%
Luvax Holdings Inc.	1.53%
Castelago Holdings Inc.	1.53%
Antonini Family Holdings Inc.	3.84%
Spano Family Holdings Inc.	4.60%
Centreside Contracting Ltd.	4.60%
Salisi Investments Ltd.	1.53%
Frank Marchetti in Trust	4.19%
Total:	31.81%
Total Equity %:	100.00%
= = :::	

(f) Pursuant to the Arrangement, the aforesaid Investors have agreed to accept, the issuance to them of the Stakeholder Shares, and the Receiver's Shares, on a pro-rated basis, in accordance with the Investor's "percentage ownership" as referenced in paragraph 10(e) above in full and final satisfaction of the Investors' interest in the Debtor.

Fees and Disbursements of the Receiver and its Counsel

- 12. The Appointment Order requires the Receiver and its legal counsel to pass its accounts from time to time.
- 13. The Receiver has properly incurred fees and disbursements during the period April 3, 2021 to and including October 15, 2021 in the amount of \$.26,526.75, inclusive of HST as detailed in the Third Report. This represents a total of 74.80 hours at an average rate of \$313.84 per hour.
- 14. The legal expense incurred by the Receiver for services provided by its legal counsel, SimpsonWigle LAW LLP ("SimpsonWigle") for the period April 15, 2021 to and including October 13, 2021 have been properly incurred in the amount of \$13,502.24, inclusive of disbursements and HST as detailed in the Third Report.
- 15. The legal expense incurred by the Receiver for services provided by its legal counsel, Wildeboer Dellelce LLP ("Wildeboer Dellelce") for the period April 13, 2021 to and including October 15, 2021 have been properly incurred in the amount of \$6,534.49, inclusive of disbursements and HST as detailed in the Third Report.
- 16. The Receiver is of the view that all the work set out in the accounts of SimpsonWigle and Wildeboer Dellelce were carried out by its lawyers, articling students and clerks and were necessary and reasonable.
- 17. The Receiver seeks the approval of the Receiver's Fees and the Counsel Fees and that the Receiver be authorized to pay the same.

Estimated Fees and Disbursements to Complete

18. Provided that there is no opposition to the relief sought herein and that such relief is granted, the Receiver estimates that the additional fees (not including HST and disbursements) for itself and the Receiver's Counsel necessary to complete the receivership proceedings will be as follows:

- (a) The Receiver \$25,000.00 plus HST and disbursements;
- (b) The Receiver's Counsel, SimpsonWigle LAW LLP \$15,000.00 plus HST and disbursements; and
- (c) The Receiver's Counsel Wildeboer Dellelce LLP \$4,000.00 plus HST and disbursements.
- 19. The Fee Accrual is an estimate and the Receiver proposes to holdback \$55,000.00 on account of future services and disbursements plus HST. To the extent that the holdback is not exhausted, the Receiver will distribute any remaining holdback funds to the Investors, on a pro-rated basis, in accordance with their "Percentage Ownership" as detailed in paragraph 11(e).

The Receiver's Proposed Distribution

- 20. The Receiver understands from Lawrences with respect to the claims of the unsecured creditors, Promissory Note Holders and the Investors and from Messrs. Teplitsky, Colson on behalf of its clients, from Eleanor Schmied on behalf of PDR and from certain of the unsecured creditors that the stakeholders of the Debtor have reached an agreement (the "Arrangement") with respect to the distribution of the remaining cash sale proceeds and Emergia shares from the Sale Transaction after consideration of the distributions made pursuant to the Approval, Vesting and Interim Distribution Order as detailed above.
- 21. Subject to the Receiver retaining funds to satisfy the estimated accruals on account of its fees and disbursements ("Reserves") and in keeping with the Arrangement, the Receiver proposes to distribute the remaining cash sale proceeds and Emergia shares as follows:
 - (b) Firstly, in payment of the Receiver's fees and disbursements and that of its Counsel;

- (c) Secondly, from the cash sale proceeds, payment to the Second Mortgage Holder in the amount of \$995,570.11, which includes interest accrued at 12% up to May 3, 2021, as calculated by PDR;
- (d) Thirdly, from the cash sale proceeds to the unsecured creditors, as follows of:
 - i. \$141,250.00 to the law firm of Parente Borean (attention Don Parente);
 - ii. \$39,550.00 to the law firm of Lawrence, Lawrence, Stevenson LLP;
 - iii. \$39,550.00 to the law firm of Teplitsky, Colson LLP;
 - iv. \$60,000.00 to R.D.M. Financial Ltd.;
 - v. \$18,113.58 to SCS Consulting Group Ltd.; and
 - vi. \$3,352.99 to Wildeboer Dellelce LLP.

(e) Fourthly:

- i. from the remaining cash proceeds, payment to the Promissory Note Holders, on a pro-rated basis, of the remaining cash proceeds from the Sale Agreement, with each Promissory Note Holder receiving that percentage of the remaining cash that the subject Promissory Note Holder's Indebtedness is of the Total Promissory Note Holder Indebtedness as defined in the Third Report;
- ii. Directing Emergia Inc., subject to applicable securities law, to issue and to deliver to each Promissory Note Holder the number of shares of Emergia Inc. required to fully pay the balance of the subject "Promissory Note Holder's Indebtedness", after crediting the aforesaid cash payment delivered pursuant to paragraph 5(e) hereof. The number of Emergia shares to be delivered to each Promissory Note Holder, as aforesaid, will be calculated on the basis that each Emergia share has a stipulated deemed value of \$1.00.

- (f) Subject to applicable securities law, delivery of the Stakeholder Shares, as defined in paragraph 7(b), to the Investors, respectively, on a pro-rated basis, in accordance with the Investor's "percentage ownership" as referenced in paragraph 11(e) hereof;
- (g) Subject to applicable securities law and the rights of Emergia Inc., as detailed in the Fifth Addendum to the Sale Agreement, delivery of the Receiver's Shares as defined in paragraph 7(a) or if applicable, the proceeds of sale of such Receiver's Shares to the Investors, respectively, on a pro-rated basis in accordance with the Investor's "percentage ownership" as referenced in paragraph 11(e) hereof.
- 22. The aforesaid proposed distribution is in accordance with the Arrangement. The Receiver notes that the Arrangement includes a compromise of some of the indebtedness or obligations owed by the Debtor stakeholders as identified in the books and records of the Debtor. The Receiver notes that the priority of the payments to be made pursuant to the Arrangement, including delivery of Emergia shares, is consistent with the Receiver's determination of an appropriate or reasonable scheme of distribution to the stakeholders of the Debtor.
- 23. The Receiver is not aware of the Debtor having any undertaking, property or assets other than the proceeds of sale from the Real Property.
- 24. Rules 2.03, 3.02 and 37 of the Rules of Civil Procedure.
- 25. Section 47 of the Bankruptcy and Insolvency Act.
- 26. The grounds as detailed in the Third Report.
- 27. Such further and other grounds as counsel may advise and this Honourable Court permit.

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

- 1. The Orders of the Honourable Justice Hainey dated April 23, 2020 and January 5, 2021;
- 2. The Third Report of the Receiver dated October 20, 2021;
- 3. Such further and other evidence as counsel may advise and this Honourable Court permit.

DATED: October 20, 2021

SimpsonWigle LAW LLP 1 Hunter Street East Suite 200 Hamilton, ON L8N 3R1

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Lawyers for the Receiver

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondent

THIRD REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF NEW TECUMSETH LAND CORPORATION

October 20, 2021

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APPENDICES

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- 12. Projected Distribution Schedule

1.0 APPOINTMENT AND BACKGROUND

- 1.0.1 On application made by FirstOntario Credit Union Limited ("FirstOntario") pursuant to subsection 243(1) of the Bankruptcy and Insolvency Act (the "BIA") and section 101 of the Courts of Justice Act (the "CJA"), msi Spergel Inc. ("Spergel") was appointed receiver (in such capacity, the "Receiver"), without security, of the assets, undertakings and properties of New Tecumseth Land Corporation ("New Tecumseth" or "Debtor") by Order of the Honourable Justice G. Hainey dated April 23, 2020 effective June 1, 2020 (the "Appointment Order"). Attached hereto as Appendix "1" is a copy of the Appointment Order.
- 1.0.2 The Debtor is incorporated pursuant to the laws of the Province of Ontario. The directors and officers of the Debtor are Guery Goyo Sr. (President) and Mary Goyo (Secretary). The Debtor's head office is located at 151 Spinnaker Way, Unit 5, Concord. The sole shareholder of the Debtor is Villarboit Development Corporation ("Villarboit") and the Receiver understands that Guery Goyo Sr. is a principal of Villarboit.
- 1.0.3 The Debtor held title to vacant industrial land municipally known as 6485 14th Line, (the "Real Property"), located in the Town of Alliston, Ontario (the "Town"). The Real Property is vacant industrial land comprised of 99.44 acres gross, inclusive of 74.07 acres for development.
- 1.0.4 The debtor is a single-purpose land development company, which is the registered owner of the Real Property. However, the books and records disclosed that there is a joint venture underlying a proposed development of the Real Property, called New Tecumseth Group Joint Venture (the "Joint Venture"), and there are 34 co-tenants involved in the Joint Venture ("Investors"). To date, the Receiver has not been able to locate a joint venture or trust agreement with respect to the Joint Venture.
- 1.0.5 The appointment of Spergel was sought when the Debtor defaulted in making payment of interest on the first in priority mortgage held by FirstOntario on the Real Property.

- 1.0.6 Twelve of the thirty-four Investors have initiated legal action against, inter alia, the Debtor and Guery Goyo claiming, inter alia, damages with respect to an investment in the Debtor (the "Litigant Investors").
- 1.0.7 In addition to the aforementioned Investors' the other stakeholders in the debtor are: (a) unsecured creditors; (b) investors who advanced funds by way of loans to the Debtor with such loans secured by a second mortgage on the Real Property held by P.D.R. Investments Ltd., as mortgagee ("PDR"); and (c) Investors who also advanced funds to the Debtor which are unsecured loans and evidenced by Promissory Notes ("Promissory Note Holders").
- 1.0.8 On January 4, 2021, the Receiver submitted a report to court dated December 18, 2020 (the "First Report", attached as Appendix "2") and sought the approval of the Court for an Order granting, among other things, the following relief:
 - a) approval of a sale transaction between the Receiver and NTA Development Corporation (the "Purchaser"), as outlined in an agreement of purchase and sale dated November 20, 2020 (the "APS') and amended by Addendum dated January 4, 2021 (the "First Addendum") (collectively, the "Sale Agreement") and vesting in the Purchaser, the Debtor's right, title, and interest in and to the assets described in the Sale Agreement; and
 - b) authorizing and directing the Receiver to make an interim distribution from the net proceeds of the estate of Tecumseth (after payment of the fees and disbursements of the Receiver and the Receiver's Counsel outlined in the First Report), which is summarized as follows;
 - To the Town of New Tecumseth in the amount of \$9,422.15 or such other amount accrued at the closing of the Transaction for outstanding reality tax arrears;
 - ii. To FirstOntario for repayment of the Receiver Certificate No 1 in the amount of \$41,750.65 plus interest that accrues on the principal amount thereof from

- December 14, 2020 at a per diem amount of \$9.04 to the date of payment to FirstOntario and in accordance with the Receiver's Certificate; and
- iii. To FirstOntario with respect to the First Mortgage in the amount of \$6,902,861.98 plus interest that accrues on the principal amount thereof from December 14, 2020 at a per diem amount of \$1,324.38 to the date of payment to FirstOntario plus FirstOntario's legal enforcement expense.
- 1.0.9 The payment of the Purchase Price, as defined in the APS, was contemplated to be made partly by way of a payment in cash and partly by way of shares of Emergia Inc. ("Emergia"), a public entity (the "Emergia Shares").
- 1.0.10 The Court granted the requested Order on January 6, 2021 (the "Court Order", attached as Appendix "3").
- 1.0.11 Subsequent to the January 6, 2021 court attendance, the Purchaser raised issues with respect to the transfer of the share component of the Purchase Price to the Receiver. Specifically, the Purchaser indicated that its understanding and intention was that the share component be delivered on the closing of the APS to the Investors, in kind, and not issued and delivered to the Receiver.
- 1.0.12 As a result of the Receiver's and the Purchaser's on-going negotiations with respect to the transfer of the share component, a second, third, and fourth addendum to the APS were executed ("Addendums 2, 3, and 4") which effectively:
 - a) increased the deposit to \$1,000,000;
 - b) increased the total purchase price to \$13,800,000 by increasing the cash portion by \$100,000; and
 - c) extended the closing date to four business days subsequent to an approval order being made by the Court.
- 1.0.13 To address the concerns of the Purchaser as noted above, the Receiver, the Purchaser and Emergia entered into a fifth addendum to the Sale Agreement on April 1, 2021 (the

"Fifth Addendum"). Pursuant to the Fifth Addendum, the parties agreed, inter alia, among other things, that:

- a) 300,000 Class A common shares of Emergia at a stipulated value of \$1 per share, having an aggregate value of \$300,000 (determined in accordance with the Fifth Addendum) were to be issued to the Receiver (the "Receiver's Shares") on the closing date in partial satisfaction of share component of the purchase price;
- b) Subject to compliance with applicable securities laws, 4,500,000 Class A common shares of Emergia at a stipulated value of \$1 per share, having an aggregate value of \$4,500,000 (determined in accordance with the Fifth Addendum), (the "Stakeholder Shares"), would be issued from time to time following the closing date to certain stakeholders of Tecumseth as directed by the Receiver and approved by the Court (the "Specified Stakeholders") in satisfaction of the balance of the share component of the purchase price;
- 1.0.14 The APS, as amended by the Fifth Addendum, fully retained the consideration to be delivered by the Purchaser to the Receiver for the Real Property as contemplated by the APS as approved by the Order dated January 6, 2021 and as further amended by Addendums 2, 3, and 4.
- 1.0.15 On April 15, 2021, the Receiver submitted a report to court (the "Second Report", attached as Appendix "4") and sought the approval of the Court for an Order granting, among other things, the following relief:
 - a) approving the Fifth Addendum to the Sale Agreement between the Receiver and the Purchaser, dated April 1, 2021 (the "Fifth Addendum" attached as Appendix "5"), and authorizing the Receiver to complete the transaction contemplated thereby (the "Transaction"); and
 - (a) reaffirming the distribution of sale proceeds as ordered by the Court on January 6,2021.
- 1.0.16 The Court granted the requested Order on April 27, 2021 (the "Approval, Vesting, and Interim Distribution Order", attached as Appendix "6").

- 1.0.17 The Receiver completed the sale of the property in accordance with the above-mentioned Order and made a partial distribution of the net proceeds to Town of New Tecumseth on account of outstanding property taxes and to FirstOntario Credit Union for repayment of its first mortgage on the Real Property and to FirstOntario Credit Union to repay its loan to the Receiver as evidenced by the Receiver's Certificate No. 1.
- 1.0.18 The Receiver has been advised by the Debtor's counsel, Mr. Ed Upenieks of Lawrence, Lawrence, Stevenson LLP ("Lawrences") that an arrangement (the "Arrangement") has been reached between the remaining stakeholders of New Tecumseth, with respect to the distribution of the balance of the net sale proceeds including the shares of Emergia, as herein after particularized.
- 1.0.19 In addition to the creditors outlined in the Approval, Vesting, and Interim Distribution Order mentioned above, the following is a summary of the remaining stakeholders who are eligible for a distribution from the balance of the net sale proceeds from the Sale Agreement including from the remaining cash and shares of Emergia. The summary is based upon information provided by the Debtor and the Receiver's review of the available books and records of the Debtor:

Second Mortgage Holder

- a) A second in priority mortgage was registered on January 13, 2015 in the principal amount of \$550,000 in favour of P.D.R. Investments Ltd. ("PDR").
- b) The general ledger of New Tecumseth references that the mortgage registered in favour of PDR is held in trust by PDR to secure payment of loan advances made by seven investors ("PDR Investors"). Guery Goyo Sr., on behalf of PDR, confirms the foregoing but also advises that there is no written agreement that the subject mortgage is held in trust by PDR.
- c) The amounts advanced, and the interest accrued in relation to the second mortgage up to May 3, 2021, as calculated by PDR, total \$995,570.11 (the "Mortgage Payout Statement", attached as Appendix "7").

d) As part of the Arrangement, PDR has agreed to accept the sum of \$995,570.11 in full satisfaction of the aforesaid second in priority mortgage.

Unsecured Creditors

- The books and records of New Tecumseth (Account Payable Listings) recorded four unsecured trade creditors with total outstanding indebtedness as at June 18, 2020 in the amount of \$244,316.95. During the course of the receivership, three other unsecured creditors were identified as follows: Teplitsky, Colson LLP, R.D.M. Financial Ltd. and Wildeboer Dellelce LLP. Lawrences advises that pursuant to the Arrangement, the unsecured creditors of the Debtor, as determined by the Receiver, agreed to accept the following payment from the sale proceeds in full satisfaction of their interest in the net proceeds of sale from the Sale Agreement:
 - i. \$141,250.00 to the law firm of Parente Borean (attention Don Parente);
 - ii. \$39,550.00 to the law firm of Lawrence, Lawrence, Stevenson LLP;
 - iii. \$39,550.00 to the law firm of Teplitsky, Colson LLP;
 - iv. \$60,000.00 to R.D.M. Financial Ltd.;
 - v. \$18,113.58 to SCS Consulting Group Ltd.; and
 - vi. \$3,352.99 to Wildeboer Dellelce LLP.

Lawrences have advised the Receiver that pursuant to the Arrangement that the unsecured trade creditor, Rady-Pentek Edward Surveying has waived any claim to or interest in the net proceeds of the Sale Agreement.

f) The general ledger system of New Tecumseth details advances made by Investors to New Tecumseth evidenced by way of promissory notes made by New Tecumseth (the "Promissory Noteholders"). The total advanced, including accrued interest to May 31, 2020, as calculated by the Debtor, is \$980,652.53 as detailed below:

Name of Promissory Note Holders		
Italmal Investments Inc.	\$ 35,020.20	
Tanview Investments Ltd.	28,225.10	
Johnwood Investments Inc.	14,488.20	
Spano Family Holdings Inc.	82,231.00	
P.D.R. Investments Itd.	77,286.90	
859055 Ontario Limited	96,788.63	
Frank Giambagno in Trust	85,427.37	
Villarboit Investment Limited	287,089.60	
Villarboit Holdings Ltd.	89,246.93	
Andy Vankralingen	25,400.16	
Triabacus Capital Corpn	52,803.56	
497227 Ont Ltd. (Stefanik)	9,272.05	
Lino Di Iorio	66,733.67	
Jerry Di Iorio	30,639.16	
Total Promissory Note Holder	\$980,652.53	
Indebtedness		

Lawrences has advised that each Promissory Note Holder has, pursuant to the Arrangement, agreed to accept the following in full satisfaction of each Promissory Note Holder's Indebtedness:

- payment to the Promissory Note Holders, on a pro-rated basis, of the remaining cash proceeds from the Sale Agreement, with each Promissory Note Holder receiving that percentage of the remaining cash that the subject Promissory Note Holder's Indebtedness is of the Total Promissory Note Holders Indebtedness; and
- ii. delivery to each respective Promissory Note Holder of the number of shares of Emergia required to fully pay the balance of the subject "Promissory Note Holder's Indebtedness", after crediting the aforesaid cash payment delivered pursuant to paragraph (i) above, with each share having a stipulated deemed value of \$1.00 per share.

Equity holders

g) In addition to the second mortgage holders/beneficiaries and Promissory Noteholders, the Debtor advises, which is consistent with New Tecumseth's financial statements, that there are 34 equity holders in the Joint Venture ("Investors") as follows:

NON - LAW SUIT INVESTORS:	Percentage Ownership:
1167948 Ontario Inc.	0.77%
2115307 Ontario Limited	2.91%
859055 Ontario Limited	2.09%
Lino Di Iorio, In Trust	3.07%
Louise Di Iorio	1.53%
Fairgreen Ventures Inc.	1.53%
Ferro DeBiasio	1.61%
S.C.R.A.P.S Investments Ltd.	1.61%
Frank Giambagno, In Trust	10.48%
Italmal Investments Inc.	4.60%
Johnwood Investments Inc.	1.75%
Philip Lanni	1.53%
Michael and David Di Iorio	1.53%
Michael Di Iorio	0.77%
Ottimo Foods Inc., In Trust	3.07%
P.D.R Investments Ltd	10.48%
Philip Stefaniak	1.53%
R & FS Holdings Inc.	3.84%
Tanview Investments Limited	4.19%
A. Vankralingen & R. Borland	4.19%
Villarboit Investments Limited	3.14%
Winstone Investments Inc.	1.94%
Total:	68.19%
LAWSUIT INVESTORS:	
1282291 Ontario Limited	2.30%
Paul and Mary Leva	1.53%
594633 Ontario Ltd	2.30%
Athabasca Holdings Inc.	2.30%
Michael and Heather Mayhew	1.53%
Luvax Holdings Inc.	1.53%
Castelago Holdings Inc.	1.53%
Antonini Family Holdings Inc.	3.84%
Spano Family Holdings Inc.	4.60%
Centreside Contracting Ltd.	4.60%
Salisi Investments Ltd.	1.53%
Frank Marchetti in Trust	4.19%
Total:	31.81%
Total Equity %:	100.00%

1.0.20 A group of Investors filed a lawsuit on August 2, 2013 (amended February 14, 2014) (the "Litigant Investors") which took issue with:

- a) the quantum of the indebtedness claimed to be owing to certain trade creditors:
- b) the enforceability of the second mortgage security as it relates to all alleged beneficiaries;
- c) the rate at which interest accrues on monies advanced by Promissory Noteholders;
- d) the alleged percentage interest of various Investors in the equity of the Debtor.
- 1.0.21 The Receiver has determined, including through SimpsonWigle that Teplitsky, Colson LLP ("Teplitsky") acts for 11 of the 12 Litigant Investors (referred to as "Lawsuit Investors" in paragraph 1.0.19 g.), including Frank Marchetti, who is also named as a beneficiary of the hereinbefore-referenced P.D.R. Investments Ltd. second mortgage and excluding Spano Family Holdings Inc.

2.0 PURPOSE OF THE THIRD REPORT AND DISCLAIMER

- 2.0.1 The purpose of this report (the "Third Report") is to seek the Order of the Court:
- a) approving the Third Report and the actions of the Receiver as described herein, including, without limitation, the Receiver's statement of receipts and disbursements as at October 18, 2021 (the "SRD");
- b) approving the fees and disbursements of the Receiver and the Receiver's counsel, as detailed respectively in the Fee Affidavits of Trevor Pringle, Timothy Bullock on behalf of SimpsonWigle LAW LLP and Troy Pocaluyko on behalf of Wildeboer Dellelce LLP, including an estimated accrual of fees and disbursements to be incurred to the completion of these proceedings;
- c) authorizing and directing the Receiver to make a distribution from the net proceeds of the estate of the Debtor in keeping with the Arrangement and in accordance with the protocol outlined by the Receiver and contained within this Third Report; and
- d) such further and other relief as counsel may advise and this Court may permit.

- 2.0.2 This Third Report is prepared solely for the use of the Court for the purpose of assisting the Court in making a determination whether to: (i) approve the actions and conduct of the Receiver as set out in this Third Report, (ii) approve and authorize payment of the Receiver's fees and disbursements and those of its legal counsel, (iii) authorizing and directing the Receiver to make a distribution from the net proceeds of the estate in accordance with the protocol outlined below, and (iv) granting other ancillary relief being sought.
- 2.0.3 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 Second Report for any other purpose.
- 2.0.4 Except as otherwise described in this report:
 - (a) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and,
 - (b) The Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
- 2.0.5 Unless otherwise stated, all monetary amounts contained in this Third Report are expressed in Canadian dollars.

3.0 ACTIONS OF THE RECEIVER SINCE THE SECOND REPORT

3.0.1 The Receiver, following the issuance of the Approval, Vesting and Interim Distribution Order, completed the sale transaction of the Real Property on May 3, 2021, terminated all post appointment services and made an interim distribution in accordance with the Approval, Vesting and Distribution Order. This included payment of the Receiver's

- borrowings, Receiver's Fees and that of its Counsels, Town of New Tecumseth, and FirstOntario Credit Union. After making the aforesaid payments, the Receiver continues to hold cash proceeds from the sale agreement in the amount of \$1,488,259.38.
- 3.0.2 Pursuant to the Approval, Vesting and Interim Distribution Order, and the completion of the Sale Agreement, the Receiver received cash proceeds and, inter alia, 300,000 Shares of Emergia with a stipulated value of \$1.00 per share with respect to the completion of the Sale Agreement.
- 3.0.3 The Receiver was provided a summary of the advances by PDR Investors in the second mortgage, as well as the calculation of interest accrued to May 3, 2021, which is consistent with the Debtor's books and records.
- 3.0.4 The Receiver was also provided with the summary of the advances made by the Promissory Noteholders, as well as the calculation of interest accrued to May 31, 2020. In order to analyze the advances, the Receiver reviewed the calculation of the non-compounding interest calculations at 7% and proof of advances, including review of bank statements, deposit slips, and cancelled cheques. The Receiver noted no material discrepancies between the summary of the advances of both the PDR Investors and the Promissory Noteholders and the proof of same provided by the Debtor.
- 3.0.5 The Receiver participated in several conference calls with Lawrences on behalf of the Debtor and Teplitsky on behalf of the Litigant Investors to facilitate a settlement for a final distribution to the remaining stakeholders of New Tecumseth.
- 3.0.6 In order to ensure that the Stakeholder Shares may be issued to the Specified Stakeholders in accordance with applicable securities laws, the Receiver understands that each of the Specified Stakeholders has been requested to complete, sign and deliver to Emergia a certificate (an "Accredited Investor Certificate") confirming that he, she or it is an accredited investor (as such term is defined under applicable securities laws) and therefore is entitled to be issued Stakeholder Shares without the requirement of Emergia to prepare and deliver a prospectus.

- 3.0.7 As of the date of the Third Report, the Receiver has been advised that a substantial number of the 34 Specified Stakeholders have duly completed and delivered an Accredited Investor Certificate. In the event that some or all of the remaining Specified Stakeholders fail or are unable to complete and deliver an Accredited Investor 'Certificate, 'Emergia will first explore with those Specified Stakeholders whether any other exemptions from the prospectus requirements might be available, failing which Emergia has agreed to (i) bring application to a Court, tribunal or agency (such as the Ontario Securities Commission) for a discretionary order exempting Emergia from the prospectus requirements in respect of the remaining Specified Stakeholders; (ii) issue the Stakeholder Shares to the Receiver that would otherwise be issuable to those remaining Specified Stakeholders who in turn, would dispose of such shares and remit the proceeds proportionately to the remaining Specified Stakeholders; or (iii) pay the value of those Stakeholder Shares (determined in accordance with the Fifth Addendum) in cash to the remaining Specified Stakeholders. If it becomes necessary to pursue either of alternatives in clauses (i) or (ii) above, it may not be possible to distribute the Stakeholder Shares or the proceeds of sale of such Shares for several months due to the complexity of the process for obtaining a discretionary order and because there would be a 4 month statutory "hold" period in respect of any shares issued to the Receiver.
- 3.0.8 As of October 8th, 2021 the Emergia shares are currently trading on the Canadian Securities Exchange at .90 cents per share; the 52-week high is \$1.25 per share and the 52-week low is .50 cents per share.
- 3.0.9 Subject to the rights of Emergia as detailed in paragraph 2 of the Fifth Addendum, the Receiver intends to distribute the 300,000 Receiver's Shares to the investors on a prorated basis in accordance with the percentage ownership set out in paragraph 1.0.19 (g) of this report, as opposed to selling such shares.

4.0 FEES AND DISBURSEMENTS OF THE RECEIVER

4.0.1 Attached hereto as **Appendix "8"** is the Fee Affidavit of Trevor Pringle, sworn October 19, 2021, which incorporates, by reference, a copy of the Receiver's time dockets pertaining

to the receivership of the Debtor for the period April 3, 2021, to and including October 15, 2021. The Receiver has incurred professional fees in the amount of \$26,526.75, inclusive of HST. This represents a total of 74.80 hours at an average rate of \$313.84 per hour.

5.0 FEES AND DISBURSEMENTS OF RECEIVER'S COUNSEL

- 5.0.1 Attached hereto as **Appendix "9"** is the Fee Affidavit of Timothy Bullock of SimpsonWigle LLP, sworn October 19, 2021, which attaches a copy of the account rendered by SimpsonWigle LLP to the Receiver in the amount of \$13,502.24 inclusive of disbursements and HST, for the period April 15, 2021 to October 13, 2021 along with supporting dockets (Billing Information Summary).
- 5.0.2 The Receiver has reviewed SimpsonWigle's accounts and, given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work set out in SimpsonWigle's account was carried out and was necessary. The hourly rates of the lawyers and clerks at SimpsonWigle who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers and clerks with the appropriate levels of experience.
- 5.0.3 Attached hereto as **Appendix "10"** is the Fee Affidavit of Troy Pocaluyko of Wildeboer Dellelce LLP, sworn October 18, 2021, which attaches a copy of the account rendered by Wildeboer Dellelce LLP to the Receiver in the amount of \$6,536.49 inclusive of disbursements and HST, for the period April 13, 2021 to October 15, 2021 along with supporting dockets (Billing Information Summary).
- 5.0.4 The Receiver has reviewed Wildeboer Dellelce's accounts and, given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work set out in Wildeboer Dellelce's account was carried out and was necessary. The hourly rates of the lawyers and clerks at Wildeboer Dellelce who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers and clerks with the appropriate levels of experience.

6.0 RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 6.0.1 Attached hereto as **Appendix "11"** is a copy of the Receiver's Statement of Receipts and Disbursements as at October 18, 2021.
- 6.0.2 Attached hereto as Appendix "12" is a copy of the Projected Distribution Schedule.

7.0 FEE ACCRUAL

- 7.0.1 Provided that there is no opposition to the relief sought in this Third Report and that such relief is granted, the Receiver estimates that the additional fees (not including HST and disbursements) for itself and the Receiver's Counsel necessary to complete these proceedings will be as follows:
 - a) The Receiver \$25,000.00 plus HST and disbursements;
 - b) The Receiver's Counsel, SimpsonWigle LAW \$15,000.00 plus HST and disbursements; and
 - c) The Receiver's Counsel, Wildeboer Dellelce LLP \$4,000.00 plus HST and disbursements.

8 THE RECEIVER'S PROPOSED DISTRIBUTION

- 8.0.1 The Receiver understands from Lawrences with respect to the claims of the unsecured creditors, Promissory Note Holders and the Investors and from Messrs. Teplitsky, Colson on behalf of its clients, from Eleanor Schmied on behalf of PDR and from certain of the unsecured creditors that the stakeholders of the Debtor have reached an agreement (the "Arrangement") with respect to the distribution of the remaining cash sale proceeds and Emergia shares from the Sale Transaction after consideration of the distributions made pursuant to the Approval, Vesting and Interim Distribution Order as detailed above.
- 8.0.2 Subject to the Receiving retaining funds to satisfy the estimated accruals on account of its fees and disbursements ("Reserves") in keeping with the Arrangement, the Receiver proposes to distribute the remaining cash sale proceeds and Emergia shares as follows:

- b) Firstly, in payment of the Receiver's fees and disbursements and that of its Counsel;
- c) Secondly, from the cash sale proceeds, payment to the Second Mortgage Holder in the amount of \$995,570.11, which includes interest accrued at 12% up to May 3, 2021, as calculated by PDR;
- d) Thirdly, from the cash sale proceeds to the unsecured creditors, as follows of:
 - i. \$141,250.00 to the law firm of Parente Borean (attention Don Parente);
 - ii. \$39,550.00 to the law firm of Lawrence, Lawrence, Stevenson LLP;
 - iii. \$39,550.00 to the law firm of Teplitsky, Colson LLP;
 - iv. \$60,000.00 to R.D.M. Financial Ltd.;
 - v. \$18,113.58 to SCS Consulting Group Ltd.; and
 - vi. \$3,352.99 to Wildeboer Dellelce LLP.

e) Fourthly:

- i. payment to the Promissory Note Holders, on a pro-rated basis, of the remaining cash proceeds from the Sale Agreement, with each Promissory Note Holder receiving that percentage of the remaining cash that the subject Promissory Note Holder's Indebtedness is of the Total Promissory Note Holders Indebtedness; and
- ii. delivery to each respective Promissory Note Holder of the number of shares of Emergia required to fully pay the balance of the subject "Promissory Note Holder's Indebtedness", after crediting the aforesaid cash payment delivered pursuant to paragraph (i) above, with each share having a stipulated deemed value of \$1.00 per share;
- f) Delivery of the remaining Emergia shares to the 34 Investors, on a pro-rated basis, based upon each Investor's percentage share ownership as particularized in paragraph 3.0.7.

8.0.3 The aforesaid proposed distribution is in accordance with the Arrangement. The Receiver

notes that the Arrangement includes a compromise of some of the indebtedness or

obligations owed by the Debtor stakeholders as identified in the books and records of the

Debtor. The Receiver notes that the priority of the payments to be made pursuant to the

Arrangement, including delivery of Emergia shares, is consistent with the Receiver's

determination of an appropriate or reasonable scheme of distribution to the stakeholders

of the Debtor.

8.0.4 The Receiver is not aware of the Debtor having any undertaking, property or assets other

than the proceeds of sale from the Real Property.

8.0.5 The Receiver is aware that complications may arise in the distribution of the Emergia

shares and that a further motion to Court may be necessary for directions and with

respect to the Receiver's discharge.

9.0 **RECOMMENDATION**

9.0.1 For the reasons discussed in this Third Report, the Receiver recommends that the Court

grant an order in accordance with the draft Order attached as Schedule "A" to the Notice

of Motion, which includes the relief specified at paragraph 2.0.1 of this Third Report.

MSI SPERGEL INC.,

IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF

NEW TECUMSETH LAND CORPORATION

AND NOT IN ANY OTHER CAPACITY

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Appendix 1 to the Third Report of the Receiver dated October 20, 2021

Court File No. CV-20-639679-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MR.)	THURSDAY THE 23"
JUSTICE HAINEY)	DAY OF APRIL, 2020
RETWEEN		

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-AND-

NEW TECUMSETH LAND CORPORATION

Respondent

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

ORDER (appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing msi Spergel Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of New Tecumseth Land Corporation (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including, without limitation, the real

property municipally known as 6485 14th Line, Alliston, Ontario (the "Real Property") and more particularly described as:

Firstly:

PIN	58145-0050 LT
DESCRIPTION	PT LT 7 CON 13, TECUMSETH PT 1 51R34706; NEW TECUMSETH

Secondly:

PIN	58145-0517 LT
DESCRIPTION	PT LT 7 CON 13 TECUMSETH, BEING PT 3 PL 51R39710, T/W RO517196; TOWN OF NEW TECUMSETH

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

ON READING the affidavit of Virginia Selemidis affirmed April 16. 2020 and the exhibits thereto; the affidavit of Guery Goyo sworn April 22, 2020 and the exhibits thereto; the affidavit of Eleonora Schmied sworn April 22, 2020 and the exhibit thereto; and on hearing the submissions of counsel for the applicant, the respondent, certain persons with an interest in the respondent, and 2187933 Ontario Inc., and Eleonora Schmied personally on behalf of P.D.R. Investments Ltd., one appearing for any other person on the service list in the application record although served as appears from the affidavits of service of Colleen Balint sworn April 17 and April 23, 2020, 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 Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, 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"), and including but not limited to the Real Property. Subject to any further order of this court, this appointment shall be effective as of 12:00 noon on Monday June 1, 2020. Nothing in this order shall in any way impact the ability of the respondent to transfer title to the Real Property on or before May 29, 2020.

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:
 - 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;
- 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 \$10,000.00, provided that the aggregate consideration for all such transactions does not exceed \$25,000.00; 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;

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.

- 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 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

sourcessary or desirable, provided that the outstanding principal amount does not exceed \$200,000.00 (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 "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
- 24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

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

orders that a Case Website shall be established in accordance with the Protocol with the following URL 'https://www.spergelcorporate.ca/newtecumsethlandcorporation'.

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 Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the 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.

Hainey)

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO.
AMOUNT \$
1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "Receiver") of the assets, undertakings and properties New Tecumseth Land Coprporation acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the day of, 20 (the "Order") made in an application having Court file numberCL, 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.
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	icate shall operate so as to permit the Receiver to deal with der and as authorized by any further or other order of the
	ake, and it is not under any personal liability, to pay any sertificates 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:

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Applicant

NEW TECUMSETH LAND CORPORATION

Respondent Court File No.: Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (Commercial List)

Proceeding commenced at TORONTO

ORDER (appointing Receiver)

FLETT BECCARIO
Barristers & Solicitors
190 Division Street
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J. ROSS MACFARLANE Lawyers for the Applicant

LSO: 36417N

JRM/cb

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Appendix 2/ to the Third Report of the Receiver dated October 20, 2021

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondent

FIRST REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF NEW TECUMSETH LAND CORPORATION

December 18, 2020

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APPENDICES

- 1. Order of the Honourable Justice G. Hainey, dated April 23, 2020, effective June 1, 2020
- 2. Title Searches, dated March 31, 2020
- 3. MLS Listing Agreement dated July 13, 2020
- 4. Fee Affidavit of Trevor Pringle, sworn December 14, 2020
- 5. Fee Affidavit of Timothy Bullock, sworn December 17, 2020
- 6. Receiver's Statements of Receipts and Disbursements as at December 14, 2020
- 7. The Receiver's Certificate
- 8. Correspondence from FirstOntario re: mortgage indebtedness and Receiver's line of credit, dated December 14, 2020
- 9. SimpsonWigle Security Opinion, dated September 4, 2020
- 10. Town of New Tecumseth Statement of Account, dated June 3, 2020
- 11. 2020 Final Property Tax Statements dated June 30, 2020

CONFIDENTIAL APPENDICES

- 1. Metrix Realty Group appraisal report, dated June 18, 2020
- 2. CBRE Limited appraisal report, dated June 29, 2020
- 3. Receiver's Agreement of Purchase and Sale, dated November 23, 2020

1.0 APPOINTMENT AND BACKGROUND

- 1.0.1 On application made by FirstOntario Credit Union Limited ("FirstOntario") pursuant to subsection 243(1) of the Bankruptcy and Insolvency Act (the "BIA") and section 101 of the Courts of Justice Act (the "CJA"), msi Spergel Inc. ("Spergel") was appointed receiver (in such capacity, the "Receiver"), without security, of the assets, undertakings and properties of New Tecumseth Land Corporation ("Tecumseth" or "Debtor") by Order of the Honourable Justice G. Hainey dated April 23, 2020 effective June 1, 2020 (the "Appointment Order"). Attached hereto as Appendix "1" is a copy of the Appointment Order.
- 1.0.2 The Debtor is incorporated pursuant to the laws of the Province of Ontario. The directors and officers of the Debtor are Guery Goyo Sr. (President) and Mary Goyo (Secretary). The Debtor's head office is located at 151 Spinnaker Way, Unit 5, Concord. The sole shareholder of the Debtor is Villarboit Development Corporation ("Villarboit") and the Receiver understands that Guery Goyo Sr. is a principal of Villarboit.
- 1.0.3 The Debtor holds title to vacant industrial land municipally known as 6485 14th Line, (the "Real Property"), located in the Town of Alliston, Ontario (the "Town"). The Real Property is vacant industrial land comprised of 99.44 acres gross, inclusive of 74.07 acres for development.
- 1.0.4 The debtor is a single-purpose land development company which owns the Real Property. However, the books and records disclosed that there is a joint venture underlying the proposed development, called New Tecumseth Group Joint Venture (the "Joint Venture"), and there are 34 co-tenants involved in the joint venture. To date, the Receiver has not been able to locate a joint venture or trust agreement with respect to the Joint Venture.
- 1.0.5 The appointment of Spergel was ultimately sought when the Debtor defaulted in its obligations to FirstOntario due to the nonpayment of loan interest that had accrued on the Real Property.

2.0 PURPOSE OF THE FIRST REPORT AND DISCLAIMER

- 2.0.1 The purpose of this report (the "First Report") is to seek the Order of the Court:
 - (a) approving the First Report and the actions of the Receiver as described herein, including, without limitation, the sale process conducted with respect to the Real

 Property as detailed herein;
 - (b) approving the agreement of purchase and sale between the Receiver, as vendor, and NTA Development Corporation (the "Proposed Purchaser"), as purchaser, dated November 23, 2020 (the "Sale Agreement"), and authorizing the Receiver to complete the transaction contemplated thereby (the "Transaction");
 - (c) with respect to the completion of the Transaction, vesting in the Proposed Purchaser, Tecumseth's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), free and clear of any claims and encumbrances, if any, save and except "Permitted Encumbrances";
 - (d) sealing the Confidential Appendices (as defined herein) until completion of the Transaction or further Order of this Court;
 - (e) approving the fees and disbursements of the Receiver and the Receiver's counsel, as detailed respectively in the Fee Affidavits of Trevor Pringle and Timothy Bullock on behalf of SimpsonWigle LAW LLP;
 - (f) approving the Receiver's Statement of Receipts and Disbursements as at December 14, 2020;
 - (g) authorizing and directing the Receiver to make an interim distribution from the net proceeds of the estate of Tecumseth in accordance with the protocol outlined by the Receiver and contained within this First Report; and
 - (h) such further and other relief as counsel may advise and this Court may permit.
- 2.0.2 This First Report is prepared solely for the use of the Court for the purpose of assisting the Court in making a determination whether to: (i) approve and authorize the Proposed

Purchaser's Transaction and a distribution to FirstOntario (ii) approve the actions and conduct of the Receiver as set out in this First Report, (iii) approve and authorize payment of the Receiver's fees and disbursements and those of its legal counsel, and (iv) grant other ancillary relief being sought.

Except as otherwise described in this report:

- (a) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and,
- (b) The Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

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

3.0 ACTIONS OF THE RECEIVER UPON APPOINTMENT

- 3.0.1 Further to its appointment and commencing on June 1, 2020, the Receiver attended at the Real Property for the purpose of taking possession and securing same. Additionally, the Receiver undertook, *inter alia*, the following activities:
 - a) secured the books and records of Tecumseth from Guery Goyo;
 - b) prepared and filed all statutory notices in accordance with the BIA;
 - c) arranged for insurance coverage and security in respect of the Property; and,
 - d) engaged SimpsonWigle LAW LLP ("SimpsonWigle") as the Receiver's independent counsel.
- 3.0.2 Since the date that it took possession of the Property, the Receiver's activities have been focused primarily on the day-to-day management and safeguarding of the Real Property,

- including, without limitation, conducting regular inspections of the Real Property, arranging maintenance including addressing any site-specific matters as they arise.
- 3.0.3 The Receiver also terminated the lease of a portion of the Real Property to an individual, effective October 15, 2020.
- 3.0.4 Through discussions with Canada Revenue Agency ("CRA"), the Receiver was able to confirm that Tecumseth did not have any pre-receivership arrears for payroll source deductions.
- 3.0.5 During its review of the books and records of the Debtor, the Receiver noted that the Debtor's corporate tax return for the year-ended July 31, 2019 indicated the Debtor as a trustee entity holding the title of the Real Property. The Receiver had discussions with the Debtor with respect to same, and the Debtor confirmed that the purpose of the Debtor was to hold the Property in trust for the Joint Venture.
- 3.0.6 The Receiver has requested copies of the trust agreement from Guery Goyo Sr. in his capacity as president of the Debtor. Guery Goyo Sr. has advised that there is no trust agreement and each joint venturer reports its income amount on its own tax returns. The Receiver has not yet filed a tax return for the July 31, 2020 year.
- 3.0.7 The books and records of Tecumseth disclose that the parties alleged to be joint venturers are sometimes referred to as "Investors" of which 22 are identified as Limited Partners and of which an additional 12, including one "Frank Marchetti", in trust are identified as "Investors Part of Lawsuit".
- 3.0.8 The Receiver has determined, including through SimpsonWigle that Messrs. Teplitsky Colson acted for and continues to act for some or all of the those parties identified as "Investors Part of Lawsuit". By letter dated November 17, 2020, SimpsonWigle corresponded with Mr. Brunswick to, inter alia, determine the parties for whom Teplitsky Colson continue to act and requesting information with respect to the joint venture including any joint venture agreement or trust agreement relative to the Real Property being held in trust by Tecumseth and also, as hereinafter referenced, any trust agreement with respect to the second mortgage held by P.D.R. Investments Ltd., as mortgagee, being

with respect to the second mortgage held by P.D.R. Investments Ltd., as mortgagee, being held in trust by PDR for certain Investors. SimpsonWigle has been advised by Messrs. Teplitsky Colson that it continues to act for 11 of the 12 "joint venturers" (Investors Part of Lawsuit) including Frank Marchetti who is also named as a beneficiary of the hereinafter referenced P.D.R. Investments Ltd. second mortgage.

- 3.0.9 The Receiver engaged the services of Metrix Realty Group ("Metrix") and CBRE Limited ("CBRE") to attend at and conduct an appraisal of the Property. The Receiver obtained an appraisal from Metrix on June 18, 2020 and from CBRE on June 29, 2020. Attached hereto as Confidential Appendices "1" and "2" are copies of the Metrix and CBRE appraisals.
- 3.0.10 The Receiver notes that there were no property tax arrears as of the date of the Receivership, but there are now tax instalments due to the Town of New Tecumseth totaling \$9,422.15 for the 2020 year, that the Receiver intends to pay on the completion of the Transaction.

4.0 P.D.R. Investments Ltd.

- 4.0.1 A title search conducted on March 31, 2020, of the Real Property is attached as **Appendix** "2", and it discloses a second in priority mortgage registered on January 13, 2015 in the principal amount of \$550,000 in favour of P.D.R. Investments Ltd. ("PDR").
- 4.0.2 The general ledger system of Tecumseth references that the mortgage registered in favour of PDR is held by it in trust to secure payment of loan advances made by seven "Investors including one, Frank Marchetti". Guery Goyo Sr., on behalf of PDR, confirms the foregoing but also advises that there is no written agreement that the subject mortgage is held in trust by PDR.

5.0 THE SALES PROCESS WITH RESPECT TO THE PROPERTY

5.0.1 The Receiver requested listing proposals with respect to the marketing and sale of the Real Property from Colliers International ("Colliers"), Cushman & Wakefield (Cushman), and Avison Young Commercial Real Estate (Ontario) Inc. ("Avison"). All proposals

recommended a transparent sales process, modified tender process, and significant marketing exposure. The Avison proposal recommended listing an asking price without a hard bid date, whereas the Colliers & Cushman proposals both recommended a defined bid date and unpriced offering to the market. However, the Cushman proposal offered a more favorable compensation structure. On that basis, on July 13, 2020, the Receiver entered into an MLS Listing Agreement with Cushman for a six-month period ending January 13, 2021. Further to the Receiver entering into the Listing Agreement, the Property was forthwith listed for sale on the Toronto Real Estate Board's multiple listing service ("MLS"). Attached hereto as **Appendix "3"** is a copy of the Listing Agreement.

- 5.0.2 The Receiver's counsel, in consultation with the Receiver, prepared a proposed Agreement of Purchase and Sale ("APS") for use by prospective purchasers and provided information in the Receiver's possession and reports on the Property to Cushman for posting to Cushman's virtual data room. Cushman and the Receiver jointly prepared the confidential information memorandum. All prospective purchasers were vetted by Cushman and were required to sign confidentiality agreements prior to accessing the virtual data room. The sales process had a deadline for the submission of offers on September 17, 2020.
- 5.0.3 Cushman prepared sales and marketing materials that were accessible online to prospective purchasers who had executed confidentiality agreements, via Cushman's virtual data room. Cushman also targeted prospective purchasers that might have an interest in the Property and emailed sales and marketing materials to a comprehensive list of potential buyers. Marketing reports were compiled and provided to the Receiver by Cushman on a bi-weekly basis. There were eight weeks of active marketing by Cushman, including listing the property on its website and sending out bi-weekly marketing emails to over 1,500 local brokers and national developers. In total, 11 confidentiality agreements were executed by potential purchasers of the Real Property and marketing brochures were sent to them.
- 5.0.4 Cushman's marketing efforts resulted in one purchaser submitting an Agreement of Purchase and Sale on September 17, 2020. After a review and discussion of the offer

presented with FirstOntario, the senior secured lender of Tecumseth, the Receiver issued a counter proposal to the potential Purchaser, dated November 11, 2020, which was accepted on November 23, 2020 (the "APS"). The Receiver has received a deposit of \$500,000.00 from the Proposed Purchaser on account of the APS. The APS is a firm agreement and not subject to conditions precedent. Attached hereto as **Confidential Appendix "3"** is a copy of the executed Sale Agreement.

6.0 THE RECEIVER'S ASSESSMENT OF THE SALE PROCESS AND THE SALE AGREEMENT

- 6.0.1 The Receiver is of the view that the sale process was conducted in a commercially reasonable manner and that the market was extensively canvassed pursuant to Cushman's marketing efforts detailed above. There was significant interest expressed by potential purchasers as evidenced by the number of executed confidentiality agreements and marketing materials distributed during the initial offering period. Further, the Receiver is of the opinion that the efforts of Cushman through the listing of the Property on MLS and Cushman's internal network has provided sufficient exposure of the Property to the market.
- 6.0.2 Although the sales process only resulted in one offer, the purchase price was significantly above the appraised market value and the potential buyer has been in negotiations for the property prior to the Receiver's appointment.
- 6.0.3 The payment of the Purchase Price, as defined in the APS, is contemplated partly by way of a payment in cash and partly by way of shares of a certain public entity. The cash component equates to 65% of the Purchase Price and the share component equates to 35% of the Purchase Price. The cash component of the Purchase Price after payment of the Receiver's accrued fees and disbursements and those estimated to complete, along with payment of arrears of municipal taxes, is sufficient to pay the FirstOntario, first mortgagee, in full.
- 6.0.4 It is the opinion of the Receiver that the terms and conditions contained within the Sale
 Agreement are commercially reasonable and after discussions of the Purchaser's offer
 with Cushman, the Receiver concluded that acceptance of the Purchaser's offer was

optimal as the offer price is significantly above the appraised values. Accordingly, the Sale Agreement and the Purchase Price contained therein represents the best offer attainable for the Property and contemplates completion of the Transaction within 10 business days of obtaining a Vesting Order from the Court.

- 6.0.5 The Receiver consulted with stakeholders in relation to the Sale Agreement prior to accepting it and FirstOntario and P.D.R. Investments Ltd, the second mortgagee, both support the Receiver's recommendation to proceed with the Sale Agreement.
- 6.0.6 Section 5 of the Sale Agreement "Terms of Purchase" provides that the Purchaser is acquiring the Property on an "as is, where is" basis.
- 6.0.7 The Receiver notes that the original offer date was September 17, 2020; however, the first offer was received on November 11, 2020, and finalized on November 23, 2020. The delay in finalizing the Sale Agreement was a result of on-going negotiations with the prospective Purchaser in respect of the quantum of the cash component of the Purchase Price being offered.

7.0 THE RECEIVER'S REQUEST FOR A SEALING ORDER

7.0.1 The Receiver seeks a sealing order in respect of the items contained within Confidential Appendices "1, 2, and 3" (the "Confidential Appendices") until the closing of the Transaction or further Order of the Court. Each of the Confidential Appendices contains commercially sensitive information, the release of which would prejudice the Debtor's stakeholders in the event that the Transaction does not close.

8.0 FEES AND DISBURSEMENTS OF THE RECEIVER

8.0.1 Attached hereto as **Appendix "4"** is the Fee Affidavit of Trevor Pringle, sworn December 14, 2020, which incorporates, by reference, a copy of the Receiver's time dockets pertaining to the receivership of the Debtor for the period May 29, 2020 to and including December 13, 2020. The Receiver has incurred professional fees in the amount of

\$27,577.00, not inclusive of HST and disbursements. This represents a total of 103.2 hours at an average rate of \$267.22 per hour.

9.0 FEES AND DISBURSEMENTS OF RECEIVER'S COUNSEL

- 9.0.1 Attached hereto as **Appendix "5"** is the Fee Affidavit of Timothy Bullock of SimpsonWigle, sworn December 17, 2020, which attaches a copy of the account rendered by SimpsonWigle to the Receiver in the amount of \$15,443.03 inclusive of disbursements and HST, for the period April 15, 2020 to December 16, 2020 along with supporting dockets (Billing Information Summary).
- 9.0.2 The Receiver has reviewed SimpsonWigle's accounts and, given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work set out in SimpsonWigle's account was carried out and was necessary. The hourly rates of the lawyers and clerks at SimpsonWigle who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers and clerks with the appropriate levels of experience.

10.0 RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

10.0.1 Attached hereto as **Appendix "6"** is a copy of the Receiver's Statement of Receipts and Disbursements as at December 14, 2020. In accordance with the borrowing powers in its appointment Order, the Receiver has borrowed \$40,000.00 from FirstOntario to fund the receivership.

11.0 THE RECEIVER'S PROPOSED DISTRIBUTION

Receiver's Certificates

11.0.1 Pursuant to paragraph 23 of the Appointment Order, the Receiver borrowed monies from FirstOntario in the principal amount of \$40,000 (the "Borrowings") to fund its activities in these proceedings. Attached as Appendix "7" to this First Report is a copy of the Receivers Certificate representing the Borrowings. Attached hereto as Appendix "8" is a copy of correspondence from FirstOntario dated December 14, 2020 confirming the

- amount owing in respect of the Receiver's Certificate 1 was \$41,750.65. This amount includes the principal loan balance inclusive of interest.
- 11.0.2 Pursuant to paragraph 23 of the Appointment Order, the issuance of the Receiver's Certificate has the effect of creating a charge on the Property (as defined in the Appointment Order), by way of a fixed and specific charge as security for the repayment of the monies borrowed, together with interest and charges thereon, in priority to all statutory interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (as defined in the Appointment Order), but subordinate to the Receiver's Charge, and the charges set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

Registered Mortgages

- 11.0.3 Title and off-title searches conducted in respect of New Tecumseth Land Corporation have indicated the following encumbrances in order of priority:
 - a) a first mortgage in the principal amount of \$6,000,000 held by FirstOntario which comprises an initial charge and an assignment of rents registered on May 5, 2016 (the "First Mortgage"). Attached hereto as Appendix "8" is a copy of correspondence from FirstOntario dated December 14, 2020 confirming the amount owing in respect of the First Mortgage was \$6,902,861.98. This amount includes the principal loan balance inclusive of interest and legal fees.
 - b) a second mortgage in the principal amount of \$550,000 held by PDR registered on January 13, 2015, as previously discussed in this Report.
- 11.0.4 SimpsonWigle's Security Opinion, dated September 4, 2020 and attached as **Appendix**"9", provides its opinion that the security comprised of the First Mortgage, general security agreement and assignment of rents registered by FirstOntario are good and enforceable in accordance with their terms.

Municipal Property Taxes

11.0.5 The Corporation of the Town of New Tecumseth has a priority charge to the First Mortgage in respect of property tax arrears and any other amounts that have accrued in respect of the Real Property. Attached hereto as **Appendix "10"** is a copy of the Statement of Account for the Real Property dated June 3, 2020. Attached as **Appendix "11"** are copies of property tax statements issued by the City on June 30, 2020, which indicate that there are further instalments totalling \$9,422.15 due in 2020.

PPSA Registrations

11.0.6 The Receiver is not aware of New Tecumseth having any personal property. Pursuant to a search conducted under the *Personal Property and Securities Act* (Ontario) and as provided in the opinion of SimpsonWigle dated September 4, 2020, it would appear that FirstOntario by reason of its General Security Agreement has a first priority interest in the subject fixtures vis-a-vis any registered security interest.

Unsecured Creditors

- 11.0.7 The books and records of Tecumseth (Account Payable Listings) discloses that Tecumseth has four unsecured trade creditors with total outstanding indebtedness as at June 18, 2020 in the amount of \$244,316.95 of which:
 - i. \$191,991.72 is owed to the law firm of Parente Borean (attention Don Parente); and
 - ii. \$11,697.29 is owed to the law firm of Lawrence, Lawrence, Stevenson LLP.

Proposed Interim Distribution

11.0.8 Accordingly, the Receiver is proposing to make an interim distribution (after payment of the fees and disbursements of the Receiver and the Receiver's Counsel outlined in this First Report) as follows:

i. To the Town of New Tecumseth in the amount of \$9,422.15 or such other

amount accrued at the closing of the Transaction for outstanding reality

tax arrears;

ii. To FirstOntario for repayment of the Receiver Certificate No 1 in the

amount of \$41,750.65 plus interest that accrues on the principal amount

thereof from December 14, 2020 at a per diem amount of \$9.04 to the

date of payment to FirstOntario and in accordance with the Receiver's

Certificate;

iii. To FirstOntario with respect to the First Mortgage in the amount of

\$6,902,861.98 plus interest that accrues on the principal amount thereof

from December 14, 2020 at a per diem amount of \$1,324.38 to the date of

payment to FirstOntario plus FirstOntario's legal enforcement expense.

11.0.9 The Receiver anticipates a surplus in the estate after the above distribution. As the

administration of the receivership is not completed, the Receiver proposes to retain the

surplus proceeds to fund its further activities and contemplates the need for a further

motion(s) to the Court for directions with regards to a future distribution to the second

mortgagee, the unsecured creditors and the Joint Venture investors and also with

respect to the Receiver's discharge.

12. RECOMMENDATION

12.0.1 For the reasons discussed in this First Report, the Receiver recommends that the Court

grant an order in accordance with the draft Order attached as Schedule "A" to the Notice

of Motion which includes the relief specified at paragraph 2.0.1 of this First Report.

MSI SPERGEL INC.,

IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF

NEW TECUMSETH LAND CORPORATION AND NOT IN ANY OTHER CAPACITY

Trevor \$. Pringle, CFE, CKP, LIT

Partner

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Appendix 3 to the Third Report of the Receiver dated October 20, 2021

Court File No. CV-20-639679-00CL

WEDNESDAY, THE 6TH

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

}

THE HONOURABLE

	`	
JUSTICE HAINEY)	DAY OF JANUARY, 2021
FII	RSTONTARIO CREDIT UNION LIMI	ITED
		Applicant
	~ and -	
NE	W TECUMSETH LAND CORPORAT	
		Respondent

APPROVAL, VESTING AND INTERIM DISTRIBUTION ORDER

THIS MOTION, made by msi Spergel Inc. in its capacity as the Court-appointed receiver (the "Receiver") without security, of all of the assets, undertakings and properties of New Tecumseth Land Corporation (the "Debtor") for an order:

(a) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale between the Receiver and NTA Development Corporation (the "Purchaser") dated November 20, 2020 and appended to the First Report of the Receiver dated December 18, 2020 (the "First Report"), as amended by Addendum dated January 4, 2021, filed with the Court (collectively, the "Sale Agreement") and vesting in the Purchaser, the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"); and

(b) for a partial distribution of the net proceeds of realization of the Receiver from the Transaction,

was heard this day at Toronto, Ontario, via Zoom videoconference during COVID-19 pandemic.

ON READING the Notice of Motion, the First Report and appendices thereto, the confidential appendices to the First Report ("Confidential Appendices"), the Addendum dated January 4, 2021 to the Agreement of Purchase and Sale dated November 20, 2020, and on hearing the submissions of counsel for those parties listed on the counsel slip, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of service sworn December 21, 2020, filed:

- 1. THIS COURT ORDERS AND DECLARES that any requirement for service of the Notice of Motion, the First Report and Motion Record be and is hereby abridged, that the Motion is properly returnable today and that all parties requiring notice of this Motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.
- 2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
- 3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise),

hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated April 23, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

- 4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Registry Division of Simcoe (No. 512) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.
- 5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

- 6. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.
- 7. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, the Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

THIS COURT ORDERS that, notwithstanding:

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

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

9. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the Retail Sales Tax Act (Ontario).

- 10. 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.
- 11. THIS COURT ORDERS that the conduct, activities and actions of the Receiver as set out in the First Report be and are hereby authorized and approved.
- 12. THIS COURT ORDERS that the Receiver's Statement of Receipts and Disbursements, as detailed in the First Report, are hereby approved.
- 13. THIS COURT ORDERS that the Receiver's Fees and its Counsel Fees, as detailed in the First Report, are hereby approved and the Receiver is authorized to pay the same.
- 14. THIS COURT ORDERS that the Confidential Appendices as defined in the First Report are hereby sealed until the filing of the Receiver's Certificate with the Court or until further order of the Court.
- 15. THIS COURT ORDERS that after payment of the Receiver's Fees and its Counsel Fees herein approved and subject to the Receiver maintaining sufficient reserves to satisfy all charges as set out in the Appointment Order and as the Receiver deems necessary to complete the administration of the Receivership proceedings, the Receiver is hereby authorized to make a distribution to:
 - (a) FirstOntario Credit Union Limited for repayment of the Receiver's Borrowings from FirstOntario Credit Union Limited in the amount of

\$40,000.00 plus interest thereon in accordance with the Receiver's Certificate:

- (b) The Town of New Tecumseth on account of outstanding property taxes in the amount of \$9,422.15 plus accrued interest thereon to the date of payment;
- (c) FirstOntario Credit Union Limited in the amount of \$6,902,611.98 plus accrued interest on the principal amount thereof from December 14, 2020 at a per diem rate of \$1,324.38 to the date of payment plus FirstOntario Credit Union Limited additional legal enforcement expense to the conclusion of the Motion in the amount of \$2,000.00 plus disbursements and HST.

in full and final satisfaction of the indebtedness and liabilities owed to them respectively by the Debtor.

Hairey &

Schedule A - Form of Receiver's Certificate

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondent

RECEIVER'S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "Court") dated April 23, 2020, msi Spergel Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of New Tecumseth Land Corporation (the "Debtor").
- B. Pursuant to an Order of the Court dated January 6, 2021, the Court approved the agreement of purchase and sale made as of November 20, 2020 as amended by Addendum dated January 4, 2021 (collectively, the "Sale Agreement") between the Receiver and NTA Development Corporation (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 12 and 13 of the Sale Agreement have been satisfied or

waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

- 1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
- 2. The conditions to Closing as set out in sections 12 and 13 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
- 3. The Transaction has been completed to the satisfaction of the Receiver; and
- 4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

MSI SPERGEL INC., in its capacity as Court-Appointed Receiver of New Tecumseth Land Corporation and not in its personal or corporate capacity and without personal or corporate liability

Ву:	
•	Name:
	Title:

I have authority to bind the Corporation.

Schedule B - Purchased Assets

The lands and premises legally described as:

PIN	58145-0050 LT
DESCRIPTION	PT LT 7 CON 13, TECUMSETH PT 1 51R34706; NEW TECUMSETH

and

PIN	58145-0517 LT
DESCRIPTION	PT LT 7 CON 13 TECUMSETH, BEING PT 3 PL 51R39710, T/W RO517196; TOWN OF NEW TECUMSETH

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

Pin #58145-0050 (LT)

Instrument No. SC1187270 is a Charge registered on January 13, 2015 from New Tecumseth Land Corporation in favour of P.D.R. Investments Ltd.

Instrument No. SC1301746 is a Charge registered on May 5, 2016 from New Tecumseth Land Corporation in favour of FirstOntario Credit Union Limited.

Instrument No. SC1301755 is a Notice of Assignment of Rents - General registered on May 5, 2016 from New Tecumseth Land Corporation in favour of FirstOntario Credit Union Limited.

Instrument No. SC1301765 is a Postponement registered on May 5, 2016 from P.D.R. Investments Ltd. in favour of FirstOntario Credit Union Limited.

Instrument No. SC1684599 is an Application General for Court Order registered on June 2, 2020 from the Ontario Superior Court of Justice in favour of MSI Spergel Inc., in its capacity as Court-Appointed Receiver.

Pin #58145-0517 (LT)

Instrument No. SC654190 is a Notice registered on June 12, 2008 from The Corporation of the Town of New Tecumseth in favour of 1406963 Ontario Ltd.

Instrument No. SC1187270 is a Charge registered on January 13, 2015 from New Tecumseth Land Corporation in favour of P.D.R. Investments Ltd.

Instrument No, SC1301746 is a Charge registered on May 5, 2016 from New Tecumseth Land Corporation in favour of FirstOntario Credit Union Limited.

Instrument No. SC1301755 is a Notice of Assignment of Rents - General registered on May 5, 2016 from New Tecumseth Land Corporation in favour of FirstOntario Credit Union Limited.

Instrument No. SC1301765 is a Postponement registered on May 5, 2016 from P.D.R. Investments Ltd. in favour of FirstOntario Credit Union Limited

Instrument No. SC1684599 is an Application General for Court Order registered on June 2, 2020 from the Ontario Superior Court of Justice in favour of MSI Spergel Inc., in its capacity as Court-Appointed Receiver.

PERSONAL PROPERTY SECURITY REGISTRATIONS AGAINST PERSONAL PROPERTY File No. 710357067, Registration No. 20150929 1013 1295 7656, renewed by Registration Nos. 20190918 1406 1462 5450 and 20200914 1401 1462 6502 in favour of FirstOntario Credit Union Limited.

File No. 710357121, Registration No. 20150929 1016 1295 7657, renewed by Registration Nos. 20190918 1406 1462 5451 and 20200914 1401 1462 6503 in favour of FirstOntario Credit Union Limited.

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

(unaffected by the Vesting Order)

- 1. any reservation or unregistered restrictions, rights of way, easements or covenants that run with the land;
- any registered or unregistered agreements or easements with a municipality or a supplier of utility services including without limitation, electricity, water, sewage, gas, telephone or cable television or any other telecommunication service;
- 3. any laws, by-laws and regulations;
- 4. any minor easements for the supply of utility service to the land or adjacent lands;
- 5. any encroachments disclosed by any errors or omissions in existing surveys of the Real Property or neighbouring properties and any title defect, encroachment or breach of zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey or the Real Property and survey matters generally;
- 6. any exceptions and qualifications set forth in the Land Titles Act (Ontario);
- 7. any reservation contained in the original grant from the Crown;
- any Land Registrar's registered orders;
- 9. any deposited reference plans.

SUPERIOR COURT OF JUSTICE ONTARIO

(Commercial Court)

PROCEEDINGS COMMENCED AT TORONTO

APPROVAL, VESTING AND INTERIM DISTRIBUTION ORDER

SimpsonWigle LAW LLP

1 Hunter Street East

Suite 200

P.O. Box 990

Hamilton, Ontario, L8N 3R1

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Lawyers for the Receiver, msi Spergel Inc.

Appendix *4* to the Third Report of the Receiver dated October 20, 2021

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondent

SECOND REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF NEW TECUMSETH LAND CORPORATION

April 15, 2021

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7.0	RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS	Page 15
8.0	RECOMMENDATION	Page 15

APPENDICES

- 1. Order of the Honourable Justice G. Hainey, dated April 23, 2020, effective June 1, 2020
- 2. First Report of the Receiver, dated December 18, 2020
- 3. Receiver's Agreement of Purchase and Sale, dated November 23, 2020 and First Addendum to the APS, dated January 4, 2021
- 4. Order of the Honourable Justice G. Hainey, dated January 6, 2021
- 5. Second Addendum to the Sale Agreement, dated January 18, 2021
- 6. Third Addendum to the Sale Agreement, dated January 29, 2021
- 7. Fourth Addendum to the Sale Agreement, dated February 26, 2021
- 8. Letter agreements extending closing date
- 9. Fifth Addendum to the Sale Agreement, dated April 1, 2021
- 10. Title Searches, dated March 31, 2020
- 11. Amended Statement of Claim, dated February 14, 2014
- 12. Fee Affidavit of Trevor Pringle, sworn April 14, 2021
- 13. Fee Affidavit of Timothy Bullock, sworn April 15, 2021
- 14. Fee Affidavit of Troy Pocaluyko, sworn April 9, 2021
- 15. Receiver's Statements of Receipts and Disbursements as at April 14, 2021

1.0 APPOINTMENT AND FIRST REPORT

- 1.0.1 On application made by FirstOntario Credit Union Limited ("FirstOntario") pursuant to subsection 243(1) of the Bankruptcy and Insolvency Act (the "BIA") and section 101 of the Courts of Justice Act (the "CJA"), msi Spergel Inc. ("Spergel") was appointed receiver (in such capacity, the "Receiver"), without security, of the assets, undertakings and properties of New Tecumseth Land Corporation ("Tecumseth" or "Debtor") by Order of the Honourable Justice G. Hainey dated April 23, 2020 effective June 1, 2020 (the "Appointment Order"). Attached hereto as Appendix "1" is a copy of the Appointment Order.
- 1.0.2 The Debtor is incorporated pursuant to the laws of the Province of Ontario. The directors and officers of the Debtor are Guery Goyo Sr. (President) and Mary Goyo (Secretary). The Debtor's head office is located at 151 Spinnaker Way, Unit 5, Concord. The sole shareholder of the Debtor is Villarboit Development Corporation ("Villarboit") and the Receiver understands that Guery Goyo Sr. is a principal of Villarboit.
- 1.0.3 The Debtor holds title to vacant industrial land municipally known as 6485 14th Line, (the "Real Property"), located in the Town of Alliston, Ontario (the "Town"). The Real Property is vacant industrial land comprised of 99.44 acres gross, inclusive of 74.07 acres for development.
- 1.0.4 The debtor is a single-purpose land development company which owns the Real Property. However, the books and records disclosed that there is a joint venture underlying the proposed development, called New Tecumseth Group Joint Venture (the "Joint Venture"), and there are 34 co-tenants involved in the Joint Venture ("Joint Venturer" or "Investor"). To date, the Receiver has not been able to locate a joint venture or trust agreement with respect to the Joint Venture.
- 1.0.5 The appointment of Spergel was sought when the Debtor defaulted in making payment of interest on the first in priority mortgage held by FirstOntario on the Real Property.

- 1.0.6 As hereinafter detailed, 12 of the Investors have initiated legal action against, *inter alia*, the Debtor and Guery Goyo claiming, *inter alia*, damages with respect to an investment in the Debtor.
- 1.0.7 As hereinafter detailed, in addition to the Joint Venture/Investors' other stakeholders or alleged stakes in the Debtor are: (a) trade creditors; (b) investors who advanced funds by way of loans to the Debtor with such loans allegedly secured by a second mortgage on the Real Property held by P.D.R. Investments Ltd. ("PDR"); and (c) Joint Venturer/Investors who advanced funds to the Debtor which are unsecured and evidenced by Promissory Note ("Promissory Note Holders").
- 1.0.8 On January 4, 2021, the Receiver submitted a report to court dated December 18, 2020 (the "First Report", attached as Appendix "2") and sought the approval of the Court for an Order granting, among other things, the following relief:
 - a) approval of a sale transaction between the Receiver and NTA Development Corporation (the "Purchaser"), as outlined in an agreement of purchase and sale dated November 20, 2020 (the "APS') and amended by Addendum dated January 4, 2021 (the "First Addendum") (collectively, the "Sale Agreement" and attached as Appendix "3"), and vesting in the Purchaser, the Debtor's right, title, and interest in and to the assets described in the Sale Agreement; and
 - b) authorizing and directing the Receiver to make an interim distribution from the net proceeds of the estate of Tecumseth (after payment of the fees and disbursements of the Receiver and the Receiver's Counsel outlined in this First Report), which is summarized as follows;
 - i. To the Town of New Tecumseth in the amount of \$9,422.15 or such other amount accrued at the closing of the Transaction for outstanding reality tax arrears;
 - ii. To FirstOntario for repayment of the Receiver Certificate No 1 in the amount of \$41,750.65 plus interest that accrues on the principal amount thereof from December 14, 2020 at a per diem amount of \$9.04 to the date of payment to FirstOntario and in accordance with the Receiver's Certificate; and

- iii. To FirstOntario with respect to the First Mortgage in the amount of \$6,902,861.98 plus interest that accrues on the principal amount thereof from December 14, 2020 at a per diem amount of \$1,324.38 to the date of payment to FirstOntario plus FirstOntario's legal enforcement expense.
- 1.0.9 The Court granted the requested Order on January 6, 2021 (the "Court Order", attached as Appendix "4").

2.0 PURPOSE OF THE SECOND REPORT AND DISCLAIMER

- 2.0.1 The purpose of this report (the "Second Report") is to seek the Order of the Court:
 - (a) approving the Second Report and the actions of the Receiver as described herein, including, without limitation, the extensions of the closing of the sale process conducted with respect to the Property as detailed herein;
 - (b) approving a fifth addendum to the Sale Agreement between the Receiver and the Purchaser, dated April 1, 2021 (the "Fifth Addendum"), and authorizing the Receiver to complete the transaction contemplated thereby (the "Transaction");
 - (c) reaffirming the distribution of sale proceeds as ordered by the Court on January 6,2021.
 - (d) approving the fees and disbursements of the Receiver and the Receiver's counsel, as detailed respectively in the Fee Affidavits of Trevor Pringle, Timothy Bullock on behalf of SimpsonWigle LAW LLP and Troy Pocaluyko on behalf of Wildeboer Dellelce LLP;
 - (e) approving the Receiver's Statement of Receipts and Disbursements as at April 14, 2021;
 - (f) such further and other relief as counsel may advise and this Court may permit.
- 2.0.2 This Second Report is prepared solely for the use of the Court for the purpose of assisting the Court in making a determination whether to: (i) approve and authorize the Fifth

Addendum to the Sale Agreement ii) approve the actions and conduct of the Receiver as set out in this Second Report, (iii) approve and authorize payment of the Receiver's fees and disbursements and those of its legal counsel, and (iv) grant other ancillary relief being sought.

Except as otherwise described in this report:

- (a) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and,
- (b) The Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

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

3.0 ACTIONS OF THE RECEIVER SINCE THE FIRST REPORT

- 3.0.1 Further to the Receiver's First Report dated December 18, 2020, the Receiver and the Purchaser have entered into multiple extensions of the closing of the Transaction, as outlined below.
- 3.0.2 The Receiver and the Purchaser entered into the Sale Agreement as approved by the Honourable Justice Hainey by Order dated January 6, 2021. The payment of the purchase price, as defined in the APS, is contemplated partly by way of a payment in cash and partly by way of shares of a certain public entity. The cash component equated to 65% of the Purchase Price and the share component equated to 35% of the purchase price.
- 3.0.3 The Receiver received a deposit of \$500,000.00 from the Purchaser on December 11, 2020.

- 3.0.4 On January 19, 2021, a second addendum to the Sale Agreement (the "Second Addendum"), attached as Appendix "5", was executed by the Purchaser and the Receiver. The Second Addendum set out the following terms:
 - a) Increased the deposit owing, with the balance owing to be delivered to the Receiver no later than 5:00 p.m. on January 28, 2021; and
 - b) Amended the closing date amended to February 5, 2021.
- 3.0.5 As a result of the Purchaser's failure to deliver the balance of the deposit as noted above to the Receiver on January 28, 2021, the Receiver and the Purchaser entered into a third addendum to the Sale Agreement on January 29, 2021 (the "Third Addendum"), attached as Appendix "6". The Third Addendum set out the following terms:
 - a) Waived the Purchaser's obligation to deliver the balance of the deposit as contemplated by the Second Addendum;
 - b) Increased the deposit from \$500,000 already received to \$1,000,000, with the additional \$500,000 deliverable no later than 5:00 p.m. February 3, 2021; and
 - c) Amended the closing date to February 26, 2021.
- 3.0.6 On February 3, 2021, an additional deposit of \$500,000 was delivered to the Receiver from the Purchaser as outlined in the Third Addendum.
- 3.0.7 Notwithstanding the expressed terms and conditions of the APS, as approved by the Court, commencing on or about February 6, 2021, Emergia raised issued relative to the fact that its understanding and intention was that the Emergia shares to be delivered on the closing of the APS were to be delivered to the Investors, in kind, and not issued and delivered to the Receiver.
- 3.0.8 Emergia was of the position that the issuance of the shares to the Receiver on closing, particularly given the substantial number of shares that were to be delivered to the Receiver on closing:

- a) would require that within one day of closing, pursuant to securities laws, a press release was required to be issued, as well, an Early Warning Report to the public would be required; and
- b) would bring to the attention of existing shareholders and potential future shareholders that more than 10% of the Class A Common Shares of Emergia would be held by a Receiver
- which would place very negative pressure on the value of Emerga's Common Shares and would also create the potential for "dumping" of Emergia shares.
- 3.0.9 Emergia also raised that if shares were delivered to the Receiver on closing that securities "accreditation" issues would need to be addressed and could be potentially problematic relative to shares issued and delivered to the Receiver being distributed in the future to Investors or sold to third parties.
- 3.0.10 It was questionable whether Emergia would issue and deliver shares to the Receiver on the closing of the APS, as then structured.
- 3.0.11 On February 18, 2021, the Receiver engaged the services of Troy Pocaluyko of Wildeboer Dellelce LLP in order to provide securities law advice in connection with sale of the property and the distribution of the Emergia Inc. shares. and the parties entered into negotiations to address the issues raised by Emergia.
- 3.0.12 In furtherance of the negotiations, the Receiver and the Purchaser entered into a fourth addendum to the Sale Agreement on February 26, 2021 (the "Fourth Addendum"), attached as Appendix "7". The Fourth Addendum set out the following terms:
 - a) Extended the completion date to March 10, 2021; and
 - b) Increased the purchase price from \$13,700,000 to \$13,800,000 by increasing the cash portion of the purchase price by \$100,000.
- 3.0.13 In the context of the negotiation, on March 10, 2021, the Purchaser's counsel advised the Receiver's counsel of the following:

- a) The remainder of the cash component of the purchase price was being held in trust by Beber professional corporation, lawyers for the Purchaser, to close the Transaction;
- b) A request to extend the closing date of the Transaction to March 24, 2021 to allow the Purchaser and Receiver to work towards a mutually satisfactory resolution with respect to the transfer of the share component of the Transaction; and
- c) Upon approval of a Court order supporting the further addendums to the Sale Agreement, a further deposit of \$500,000 would be delivered to be applied to the purchase price upon closing.
- 3.0.14 On March 10, 2021, the Receiver's counsel confirmed the above-noted terms to the Purchaser's counsel as well as including the condition that the completion date of the Transaction should be no later than 3 business days after approval by the Court of the Fourth Addendum.
- 3.0.15 Letter agreements, attached as **Appendix "8"** exchanged between the Receiver's counsel and the Purchaser's counsel on March 10, 2021, March 23, 2021, March 26, 2021 and March 30, 2021 further extending the closing date.
- 3.0.16 To address the concerns of Emergia and the Purchaser (paragraph 3.0.8), the Receiver, the Purchaser and Emergia Inc. ("Emergia") entered into a Fifth Addendum to the Sale Agreement on April 1, 2021 (the "Fifth Addendum"), attached as Appendix "9". Pursuant to the Fifth Addendum, the parties have agreed, inter alia, that:
 - a) Class A common shares of Emergia having an aggregate value of \$300,000 (determined in accordance with the Fifth Addendum) will be issued to the Receiver (the "Receiver's Shares") on the closing date in partial satisfaction of share component of the purchase price;
 - b) Subject to compliance with applicable securities laws, Class A common shares of Emergia having an aggregate value of \$4,500,000 (determined in accordance with the Fifth Addendum) (the "Stakeholder Shares") will be issued from time to time following the closing date to certain stakeholders of Tecumseth (the "Specified

- **Stakeholders**") in satisfaction of the balance of the share component of the purchase price;
- c) The Stakeholder Shares will be issued in accordance with one or more treasury directions to which will be attached a distribution list (each, a "Treasury Direction") to be provided by the Receiver to Emergia Inc. and its registrar and transfer agent, TSX Trust Company, following the issuance of a distribution order by the Court;
- d) The issuance of the Receiver's Shares and the Stakeholder Shares will be evidenced by the electronic delivery by TSX Trust Company of DRS Statements to the Receiver and the Specified Stakeholders in accordance with each Treasury Direction;
- e) Subject to Emergia's right to identify a third party purchaser to purchase the Receiver Shares, the Receiver may from time to time sell or transfer the Receiver's Shares for the purpose of (i) paying the Receiver's fees and expenses; (ii) distribution of the proceeds of such Receiver's Shares in cash to stakeholders of Tecumseth; or (iii) distribution of the Receiver's Shares in kind to the stakeholders of Tecumseth; and
- f) In the event that Stakeholder Shares are unable to be delivered to any Specified Stakeholders in compliance with applicable securities laws, Emergia will, at its expense and discretion (i) bring application to a Court, tribunal or agency of competent jurisdiction to obtain an order allowing for such sale or transfer to the Specified Stakeholders; (ii) issue such Stakeholder Shares to the Receiver; or (iii) pay the value of such Stakeholder Shares (determined in accordance with the Addendum) in cash to the Receiver.
- 3.0.17 The APS as amended by Addendum 5 will fully retain the consideration to be delivered by the Purchaser to the Receiver for the Real Property as contemplated by the APS as approved by the Order dated January 6, 2021 and as further amended by Addendum 4.
- 3.0.18 The Receiver is of the view that the APS as amended by the Fifth Addendum continues to represent the best offer and Transaction attainable for the sale of the Real Property by the Receiver.

4.0 SUMMARY OF STAKEHOLDERS

4.0 In addition to the creditors outlined in the interim distribution from the net proceeds of the estate of Tecumseth as outlined in paragraph 1.0.8 in this Second Report, the following is a summary of the remaining stakeholders who may be entitled to a distribution of the remaining cash and shares of the Transaction.

Second Mortgage Holder

- 4.0.1 A title search conducted on March 31, 2020, of the Real Property is attached as **Appendix** "10", and it discloses a second in priority mortgage registered on January 13, 2015 in the principal amount of \$550,000 in favour of P.D.R. Investments Ltd. ("PDR").
- 4.0.2 The general ledger system of Tecumseth references that the mortgage registered in favour of PDR is held by it in trust to secure payment of loan advances made by seven "Investors including one, Frank Marchetti". Guery Goyo Sr., on behalf of PDR, confirms the foregoing but also advises that there is no written agreement that the subject mortgage is held in trust by PDR.
- 4.0.3 The amounts advanced, and the interest accrued in relation to the second mortgage up to March 31, 2021 as calculated by the Debtor, total \$987,952.42.

Unsecured Creditors

- 4.0.4 The books and records of Tecumseth (Account Payable Listings) discloses that Tecumseth has four unsecured trade creditors with total outstanding indebtedness as at June 18, 2020 in the amount of \$244,316.95 of which:
 - i. \$191,991.72 is owed to the law firm of Parente Borean (attention Don Parente); and
 - ii. \$11,697.29 is owed to the law firm of Lawrence, Lawrence, Stevenson LLP.
- 4.0.5 The general ledger system of Tecumseth details advances made by Investors by way of promissory notes to Tecumseth (the "Promissory Noteholders"). The total advanced,

including accrued interest to the date of the Receivership, as calculated by the Debtor, is \$1,115,091.23.

Equity holders

4.0.6 In addition to the second mortgage holders/beneficiaries and Promissory Noteholders, as detailed in paragraph 1.04, the 'Debtor advises that there are '34 equity holders in the Joint Venture ("Joint Venturer" or "Investor").

Litigant Investors

- 4.0.7 As referenced in paragraph 1.0.6, the books and records of Tecumseth disclose that the parties alleged to be joint venturers are sometimes referred to as "Investors" of which 22 are identified as Limited Partners and of which an additional 12, including one "Frank Marchetti", in trust are identified as "Investors Part of Lawsuit".
- 4.0.8 The Receiver has determined, including through SimpsonWigle that Messrs. Teplitsky Colson acted for and continues to act for some or all of those parties identified a "Investors Part of Lawsuit". SimpsonWigle has been advised by Messrs. Teplitsky Colson that it continues to act for 11 of the 12 "Joint Venturers" (Investors Part of Lawsuit) including Frank Marchetti who is also named as a beneficiary of the hereinbefore referenced P.D.R. Investments Ltd. second mortgage.
- 4.0.9 Attached as **Appendix "11"** is a copy of the Amended Statement of Claim issued by Teplitsky Colson LLP on August 2, 2013 (amended February 14, 2014) on behalf of the Litigant Investors ("Investors Part of Lawsuit").
- 4.0.10 The Litigant Investors take issue with:
 - a) the quantum of the indebtedness claimed to be owing to certain trade creditors;
 - b) the enforceability of the second mortgage security as it relates to all alleged beneficiaries;
 - c) the rate at which interest accrues on monies advanced by Promissory Noteholders;

d) the alleged percentage interest of various Investors in the equity of the Debtor.

5.0 FEES AND DISBURSEMENTS OF THE RECEIVER

5.0.1 Attached hereto as **Appendix "12"** is the Fee Affidavit of Trevor Pringle, sworn April 14, 2021, which incorporates, by reference, a copy of the Receiver's time dockets pertaining to the receivership of the Debtor for the period December 14, 2020 to and including April 2, 2021. The Receiver has incurred professional fees in the amount of \$31,053.50, not inclusive of HST and disbursements. This represents a total of 88.8 hours at an average rate of \$349.70 per hour.

6.0 FEES AND DISBURSEMENTS OF RECEIVER'S COUNSEL

- 6.0.1 Attached hereto as **Appendix "13"** is the Fee Affidavit of Timothy Bullock of SimpsonWigle LLP, sworn April 15, 2021, which attaches a copy of the account rendered by SimpsonWigle LLP to the Receiver in the amount of \$48,097.06 inclusive of disbursements and HST, for the period December 17, 2020 to April 14, 2021 along with supporting dockets (Billing Information Summary).
- 6.0.2 The Receiver has reviewed SimpsonWigle's accounts and, given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work set out in SimpsonWigle's account was carried out and was necessary. The hourly rates of the lawyers and clerks at SimpsonWigle who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers and clerks with the appropriate levels of experience.
- 6.0.3 Attached hereto as **Appendix "14"** is the Fee Affidavit of Troy Pocaluyko of Wildeboer Dellelce LLP, sworn April 9, 2021, which attaches a copy of the account rendered by Wildeboer Dellelce LLP to the Receiver in the amount of \$19,183.73 inclusive of disbursements and HST, for the period February 16, 2021 to April 1, 2021 along with supporting dockets (Billing Information Summary).

6.0.4 The Receiver has reviewed Wildeboer Dellelce's accounts and, given the Receiver's

involvement in this matter, the Receiver is of the opinion that all the work set out in

Wildeboer Dellelce's account was carried out and was necessary. The hourly rates of the

lawyers and clerks at Wildeboer Dellelce who worked on this matter are reasonable in

light of the services required and the services were carried out by lawyers and clerks with

the appropriate levels of experience.

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS 7.0

7.0.1 Attached hereto as Appendix "15" is a copy of the Receiver's Statement of Receipts and

Disbursements as at April 14, 2021. In accordance with the borrowing powers in its

appointment Order, the Receiver has borrowed \$40,000.00 from FirstOntario to fund the

receivership.

RECOMMENDATION 8.0

8.0.1 For the reasons discussed in this Second Report, the Receiver recommends that the Court

grant an order in accordance with the draft Order attached as Schedule "A" to the Notice

of Motion which includes the relief specified at paragraph 2.0.1 of this Second Report.

MSI SPERGEL INC.,

IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF

NEW TECUMSETH LAND CORPORATION

AND NOT IN ANY OTHER CAPACITY

Trevor B./Pringle, CFE, CIRP, LIT

15

Appendix **S** to the Third Report of the Receiver dated October 20, 2021

ADDENDUM AGREEMENT NO. 5

THIS AMEND!	MENT	AGREEMENT IS	entered	into	between:
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MSI SPERGEL INC., in its capacity as Court-appointed Receiver of New Tecumseth Land Corporation;
(THE "RECEIVER");
AND
NTA DEVELOPMENT CORPORATION, a corporation incorporated under the laws of Canada;
(THE "CORPORATION");
AND
EMERGIA INC., a corporation incorporated under the laws of Canada;
("EMERGIA");
(collectively, the "Parties")

- A. WHEREAS the Corporation and the Receiver have entered into an Agreement of Purchase and Sale dated November 20, 2020 as amended by Addendum dated January 4, 2021, by Addendum No. 2 dated January 18, 2021, by Addendum No. 3 dated January 29, 2021 and by Addendum No. 4 dated February 26, 2021 and as further amended by letter agreements between the Receiver and Corporation, executed by their respective lawyers, dated March 10, 2021 and March 23, 2021 (collectively, the "Sale Agreement"), with respect to the purchase by the Corporation of a land located in Alliston (New Tecumseth), Province of Ontario, Canada (the "Land").
- B. WHEREAS the Sale Agreement provides for a purchase price of \$13,800,000 (the "Purchase Price") payable as follows: \$9,000,000 to be paid in cash and the balance of the Purchase Price to be satisfied by delivery to the Receiver of Class "A" Common Shares of Emergia (the "Shares") to be issued by Emergia with such Shares having a total value of \$4,800,000 with the number of such Class A Common Shares of Emergia to be delivered to the Receiver by the Corporation on Completion to be calculated at a price which is equal to the higher of:



- (i) \$1.00 per Share; or
- (ii) the closing market price of Class A Common Shares of Emergia on the CSE: EMER on the day preceding the closing of the transaction.

(The aforesaid calculation as to the value of the Shares is referred to as the "Formula on Closing" and the aforesaid Shares to be received in partial satisfaction of the Purchase Price are referred to as the "Closing Shares").

- C. WHEREAS the Shares are listed on the Canadian Securities Exchange (the "CSE").
- D. WHEREAS such Closing Shares are subject to a 4-month hold period from the date of issuance in accordance with securities laws (the "Hold Period").
- E. WHEREAS the Sale Agreement was approved by the Honourable Justice Hainey by Order dated January 6, 2021.
- F. WHEREAS "Completion Date" or "Closing Date" means the date that the transaction which is the subject of the Sale Agreement, as hereby amended, shall be completed (the moment of completion is sometimes referred to as "Completion" or "Closing").
- G. WHEREAS it is the position of the Corporation (the "Corporation's Position") that the Closing Shares to be delivered on Closing were to be issued solely to the so-called "investors" (the "Investors") of New Tecumseth Land Corporation ("New Tecumseth").
- H. WHEREAS the Receiver wholly disputes the Corporation's Position and states that the Closing Shares to be received by the Receiver from the Corporation on Closing were to have been issued to the Receiver and available to the Receiver for sale or transfer in kind by the Receiver, without limitation and subject only to the Hold Period.
- I. WHEREAS the issuance and delivery of the Closing Shares will be made through Emergia's Transfer Agent, TSX Trust Company (the "Transfer Agent"), in accordance with treasury directions substantially in the form appended hereto as Schedule "A" (each, a "Treasury Direction").
- J. WHEREAS the Treasury Direction shall include a distribution list (a "Distribution List") to be in accordance with a Distribution Order and to be provided by the Receiver to the Corporation and Emergia following receipt of a Distribution Order (as defined below).
- K. WHEREAS it is the duty and obligation of the Receiver, after payment of its fees and disbursements to, inter alia, distribute the proceeds of sale from the Sale Agreement as hereby amended to the stakeholders of New Tecumseth in accordance with their respective legal priority position and commensurate with the quantum of the obligations and liabilities owed by New Tecumseth to the stakeholders and including with respect to any stakeholder's equity position in New Tecumseth (the "Scheme of Distribution").



L. WHEREAS any distribution of the proceeds of sale of the Sale Agreement as hereby amended to the stakeholders of New Tecumseth is subject to the approval of or determination by a Justice of the Ontario Superior Court of Justice as provided for in one or more orders of such Justice (a "Distribution Order").

NOW THEREFORE in consideration of the premises hereto, the mutual covenants and interests and intents herein set forth and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Parties hereto), the Parties hereby agree to amend the Sale Agreement as follows and subject to the following terms and conditions:

1. Shares on Closing

The Corporation and Emergia agree to deliver and the Receiver agrees to accept the Closing Shares as follows:

- (a) On the Completion Date, Shares will be issued and delivered to the Receiver having a value of \$300,000 calculated in accordance with the Formula on Closing ("Receiver's Shares"); and
- (b) Subject to Section 3 below, the balance of the Closing Shares to be issued and delivered in accordance with the Treasury Direction to such stakeholders of New Tecumseth (collectively, the "Subscribers") as are specified in a Distribution List to be provided to the Corporation and Emergia by the Receiver in accordance with and following issuance of a Distribution Order;

For greater certainty, (i) in no event shall the aggregate number of Closing Shares to be issued pursuant to paragraphs (a) and (b) above exceed the number determined in accordance with the Formula on Closing and (ii) the number of Distribution Lists to be provided by the Receiver shall not exceed five.

2. Disposition of Receiver's Shares

Subject only to the Hold Period, the Receiver is at liberty in its discretion, including from time to time, to sell or transfer the Receiver's Shares for the purpose of paying Receiver's fees and expenses, for the purpose of distribution of the proceeds of such Receiver's Shares in cash to stakeholders of New Tecumseth or for the purpose of distribution of the Receiver's Shares in kind to the stakeholders of New Tecumseth, provided that:

- (a) The Receiver will first provide the Corporation and Emergia with 10 days' prior notice of such sale or transfer ("Receiver's Sale Notice") to provide the Corporation or Emergia with the opportunity to identify a third party to purchase the Receiver's Shares (a "Third Party Purchaser") in accordance with applicable securities laws, such purchase by a Third Party Purchaser to be completed within 20 days of the delivery of the Receiver's Sale Notice to the Corporation and Emergia;
- (b) The Receiver's Sale Notice shall include the price offered by the Receiver for such Receiver's Shares but such price will not be higher than the closing market price of such



- Shares on the CSE:EMER on the date that is one business day prior to the date that the aforesaid Receiver's Sale Notice is delivered by the Receiver to the Corporation and Emergia (the "Offered Price"); and
- (c) If the Corporation or Emergia fail or are unable to, respectively, identify a Third Party Purchaser for some or all of the Receiver's Shares in the aforesaid ten day timeframe, or the sale or transfer of such Receiver's Shares is not completed in the aforesaid 20 day period, then the Receiver shall be free to sell such Receiver's Shares either through the CSE or by private placement provided that the maximum number of Receiver's Shares that may be sold by or transferred by the Receiver through the CSE in any 30 day period shall be limited to twenty-five (25%) percent of the Receiver's Shares delivered to the Receiver on Completion and the price for the aforesaid sale by the Receiver will not be less than the lower of the Offered Price or the closing market price of such Shares on the CSE: EMER on the date of such sale. Should the Receiver wish to sell such Shares at a lower price, such sale will once again be subject to the paragraphs (a) and (b) above except that Emergia will have 2 business days to identify a Third Party Purchaser. Following such second attempt to sell by the Receiver, the Receiver will be authorized to sell such Shares on the CSE at any price.

3. Issuances of shares and Emergia's Option

- (a) Subject to the paragraphs below, the Corporation and Emergia agree that the Closing Shares will be issued as requested by the Receiver in writing in accordance with the Treasury Directions or as directed by the Ontario Superior Court of Justice.
- The parties acknowledge and agree that the issuance and any sale of Closing Shares or (b) distribution of Shares in kind must be made in accordance with applicable securities laws and that such sale must be made to an accredited investor or to a party that is otherwise exempt from the prospectus requirements of applicable securities laws or alternatively, unless such sale or distribution is fully approved by a Court, tribunal or agency of competent jurisdiction. Accordingly (i) following receipt of the Distribution Order, the Receiver shall deliver or cause to be delivered to Emergia a copy of such Distribution Order and Distribution List, together with "accredited investor certificates" in such form as Emergia may reasonably require which have been duly completed and executed by each Subscriber (each, an "Accredited Investor Certificate") or such other evidence of compliance with an exemption from the prospectus requirements of applicable securities laws as Emergia may reasonably require; and (ii) following each issuance of Closing Shares, Emergia shall prepare and file all such forms as may be required under applicable securities laws in connection with such issuance and delivery including, if applicable, a Form 45-106F1.
- (c) In the event that any Subscriber fails or is unable to deliver an Accredited Investor Certificate and the distribution of Closing Shares to such Subscriber cannot otherwise be made in compliance with applicable securities laws, Emergia agrees, at its expense, to either, at its entire discretion (i) bring application to a Court, tribunal or agency of competent jurisdiction with a view to obtaining an order allowing for such sale or



- transfer to the subject Subscriber notwithstanding the lack of accreditation or exemption; (ii) issue such Closing Shares to the Receiver or (iii) exercise its option to pay the value of such Closing Shares in cash as indicated in paragraph (d) below.
- Upon receipt of a Distribution Order with respect to an issuance of Closing Shares, the (d) Receiver will first provide the Corporation and Emergia with 10 days' prior notice of such issuance accompanied with the applicable Accredited Investor Certificates or such other evidence of compliance with an exemption from the prospectus requirements of applicable securities laws ("Receiver's Issuance Notice") to provide the Corporation or Emergia with the opportunity to confirm the prospectus exemptions, which confirmation will not be unreasonably delayed or withheld. During such 10 day timeframe, the Corporation and Emergia will have the option, in their entire discretion, to pay the Receiver the value of such Closing Shares in cash at their Deemed Issuance Price, being the price equal to the higher of \$1.00 per Share or the closing market price of the Class A Common Shares of Emergia on the CSE on day preceding the Completion Date, as utilized by the parties in the Formula on Closing for the purposes of determining the number of Shares to be issued on the Completion Date. If the Corporation or Emergia do not exercise such option during such aforesaid ten day timeframe, Emergia will proceed with the issuance of the Closing Shares in accordance with the Receiver's Issuance Notice subject to paragraph (c) above.
- (e) Notwithstanding paragraph (d) above, in the event that the balance of the Closing Shares has not been issued on or prior to December 31, 2021, Emergia or the Corporation will have the option, at their entire discretion, to pay the value of such Closing Shares in cash at their Deemed Issuance Price.
- (f) On Completion and upon receipt of a Receiver's Issuance Notice and in accordance with this Section 3, Emergia shall deliver to the Receiver and the Transfer Agent, a Treasury Direction, duly executed by Emergia.
- 4. Emergia and the Corporation covenant and agree that they will be fully responsible for the satisfaction and payment of any expense or cost of TSX Trust Company with respect to its services as contemplated by the Sale Agreement as hereby amended including with respect to the issuance and delivery of the Closing Shares and hereby fully indemnifies and holds the Receiver harmless with respect to the expense of TSX Trust Company.
- 5. Emergia covenants and agrees not to remove or replace TSX Trust Company as its registrar and transfer agent without the prior written consent of the Receiver or until all of the Closing Shares have been issued and delivered in accordance with the Treasury Direction.
- 6. Emergia acknowledges and agrees that it is not relying upon any representation or warranty of the Receiver with respect to such Scheme of Distribution or the future distribution of the proceeds of sale from the Sale Agreement as hereby amended, including the distribution of the Closing Shares in kind or otherwise.
- 7. This Addendum No. 5 is conditional upon its terms and conditions being approved by a Justice of the



Ontario Superior Court of Justice (the "Approval Order") failing which, other than the provisions of paragraph 15, it is of no force or effect.

- 8. The Receiver covenants to use reasonable efforts to bring application to the Ontario Superior Court of Justice to obtain the Approval Order.
- 9. This Addendum No. 5 and its terms and conditions is made without prejudice to the rights of the Receiver and Corporation such that if the Approval Order is not made by the Court then either party is at liberty to seek and enforce all rights and remedies available to them at law arising from or with respect to the Sale Agreement as it existed prior to the parties entering into this Addendum No. 5.
- 10. The parties agree that the Completion Date (Closing Date) of the Sale Agreement, as hereby amended, is the day that is four business days from the Approval Order being made by the Court.
- 11. The parties agree that in the event that the Approval Order is not made by the Court, then the Completion Date (Closing Date) for the Sale Agreement as it existed prior to the parties entering into this Addendum No. 5 shall be the date that is four business days from the date that the Receiver's motion to the Court for the Approval Order is dismissed by the Court.

12. Notice

Any demand or notice to be made or given in connection with the Sale Agreement as hereby amended and, the transaction hereby contemplated shall be in writing and shall be personally delivered to an officer or responsible employee of one party to the other or sent by facsimile or other direct electronic means, charges prepaid, at or to the address or facsimile number or email number, as the case may be, set opposite its name or to such other address or addresses or email or facsimile number or numbers as one party may from time to time designate to the other in accordance with this provision. Any demand or notice which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a business day and such delivery was made between 9:00 a.m. and 5:00 p.m.; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of transmission if such date is a business day and such transmission was made during the hours of 9:00 a.m. and 5:00 p.m. to the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of transmission.

To the Receiver: msi Spergel Inc.

Address: 21 King Street West, Suite 1602, Hamilton, L8P 4W7

Email: tpringle@spergel.ca Facsimile: (905) 527-6670

To the Corporation: NTA Development Corporation

Address 185 Dorval Avenue, Suite 402, Dorval, Quebec H9S 5J9

Email: hpetit@emergia.com



Facsimile:

1 866 285 4823

To Emergia:

Emergia Inc.

Address

185 Dorval Avenue, Suite 402, Dorval, Quebec H9S 5J9

Email:

hpetit@emergia.com

Facsimile:

1 866 285 4823

13. Further Assurance

Each of the parties herein will at all times and from time to time and upon reasonable request do, execute and deliver all further assurances, acts and documents for the purpose of evidencing and giving full force and effect to the covenants, agreements, provisions and intent of the Sale Agreement as hereby amended and the transactions hereby contemplated including, without limitation, such amendments or supplements to any Treasury Direction as may be reasonably requested or required by the Transfer Agent or the Receiver or, if the Transfer Agent refuses to issue any of the Closing Shares in accordance with a Treasury Direction, to replace the Transfer Agent to ensure that the Closing Shares are issued in accordance with and as soon as legally practical following receipt of a Distribution Order.

14. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

15. Assignment

Neither party hereto may assign any of its rights hereunder without the prior written consent of the other party hereto.

16. Counterpart and Electronic Execution

This Agreement may be executed and transmitted by facsimile or other form of electronic transmission, in several counterparts, each of which shall for all purposes be deemed to be an original.

[Signatures on the next page.]



IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

MSI SPERGEL INC., in its capacity as Courtappointed Receiver of New Tecumseth

Land Corporation

Name of the

NTA DEVELOPMENT CORPORATION

Name: Henri Petit Title: President

EMERGIA INC.

Name: Henri Petit Title: President

SCHEDULE 'A'

Form of Treasury Direction

[DATE]

BY E-MAIL

TSX TRUST COMPANY

1800-1190 Avenue des Canadiens-de-Montréal Montreal, QC H3B 0G7

Attention: Mr. Julien Lavallière

Re: Issue of Class "A" Common Shares of Emergia Inc.

Dear Mr. Lavallière:

NTA Development Corporation ("NTA"), a subsidiary of Emergia Inc. (the "Corporation"), and msi Spergel Inc., in its capacity as Court-appointed Receiver of New Tecumseth Land Corporation (the "Receiver") have entered into an Agreement of Purchase and Sale dated November 20, 2020 as amended by Addendum dated January 4, 2021, by Addendum No. 2 dated January 18, 2021, by Addendum No. 3 dated January 29, 2021, by Addendum No. 4 dated February 26, 2021, and as further amended by letter agreements between the Receiver and Corporation, executed by their respective lawyers, dated March 10, 2021 and March 23, 2021 and by Addendum No. 5 dated •, 2021 (collectively, the "Sale Agreement"), contemplating the purchase by NTA of the land located in Alliston (New Tecumseth), Province of Ontario, Canada. The Sale Agreement was initially approved by Order of the Honourable Justice Hainey dated January 6, 2021 and was subsequently approved, as amended, by Order of [name of Justice and date of Court Order to be inserted] (the "Court Order"). In accordance with the Sale Agreement, \$4,800,000 of the purchase price shall be paid by the delivery by the Corporation of Class "A" common shares of the Corporation (the "Class "A" Shares") to the Receiver and such stakeholders of New Tecumseth Land Corporation (the "Subscribers") as may be specified in accordance with the terms of one or more orders of a Court, tribunal or agency, having competent jurisdiction, with respect to the subject matter of the order (each, a "Distribution Order").

In connection with the aforementioned and the receipt by the Corporation of a Distribution Order dated •, the Corporation hereby irrevocably instructs and directs TSX Trust Company to issue a <u>DRS</u> Statement[s] dated •, representing • Class "A" Shares registered as set forth in Schedule A to this letter.

The Class "A" Shares are being issued as fully paid and non-assessable and their issuance will not be in violation of any legislation or regulation. The undersigned hereby certifies that the class of securities that is referenced in this treasury direction is not registered under the United States Securities Exchange Act of 1934.

Please deliver the DRS Statement[s] as specified in Schedule "A" and include the following legend on such DRS Statement:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ● [4 MONTHS AND ONE DAY FROM THE ISSUANCE DATE]."

Kindly send a copy of the DRS Statement[s] to tpringle@spergel.ca and ilamy@emergia.com before releasing the statement[s] for delivery.

Vhoute		
Yours truly,		
EMERGIA INC.		
By: Henri Petit Chief Executive Officer	Ву:	Isabelle Lamy VP Legal Affairs

cc: msi Spergel Inc.

SCHEDULE A TO TREASURY DIRECTION

Registration and Delivery Instructions

Name and Address of Registered Holder	Delivery Address	Number of Common Shares
[NAME] [ADRESS] [EMAIL]	[NAME] [ADRESS] [EMAIL]	•
VIA DRS	VIA DRS	
TOTAL		•

Appendix **6**to the Third Report of the Receiver dated October 20, 2021

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

) TUESDAY, THE 27 TH)	THE HONOURABLE
) DAY OF APRIL, 2021)	JUSTICE MCEWEN
REDIT UNION LIMITED	FIRSTONTARIO CREDI	
Applicant		
- and -	- and -	
H LAND CORPORATION Respondent	NEW TECUMSETH LAN	

APPROVAL, VESTING AND INTERIM DISTRIBUTION ORDER

THIS MOTION, made by msi Spergel Inc. in its capacity as the Court-appointed receiver (the "Receiver") without security, of all of the assets, undertakings and properties of New Tecumseth Land Corporation (the "Debtor") for an order:

- (a) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale between the Receiver and NTA Development Corporation (the "Purchaser") dated November 20, 2020 as amended by Addendum dated January 4, 2021, filed with the Court and appended to the Second Report of the Receiver dated April 15, 2021 (the "Second Report"), which was approved by the Court by Order dated January 6, 2021 and as further amended by:
 - i. Addendum No. 3, appended to the Second Report, by which the "Deposit" was increased to \$1,000,000.00;

- ii. Addendum No. 4, appended to the Second Report, by which the "Purchase Price" was increased to \$13,800,000.00 and the cash to be delivered by the Purchaser on Closing was increased, inclusive of the Deposit, to \$9,000,000.00;
- iii. Addendum No. 5, appended to the Second Report, by which:
 - 1. terms and conditions relative to the delivery and issuance of \$4,800,000.00 of Emergia Shares as part of the satisfaction of the Purchase Price were amended; and
 - 2. the "Closing" Date was amended to the date that is four (4) days after the Court approval of the Transaction.

(The aforesaid Agreement of Purchase and Sale, Addendum dated January 4, 2021, Addendum No 3, Addendum No. 4 and Addendum No. 5 are collectively, the "Sale Agreement"); and

- (b) vesting in the Purchaser, the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");
- (c) authorizing a partial distribution of the net proceeds of realization of the Receiver from the Transaction,

was heard this day at Toronto, Ontario, via Zoom videoconference during COVID-19 pandemic.

ON READING the Notice of Motion, the Second Report and appendices thereto, including the Agreement of Purchase and Sale dated November 20, 2020, the Addendum, Addendum No. 3, Addendum No. 4 and Addendum No. 5 and on hearing the submissions of counsel for those parties listed on the counsel slip, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of service sworn April 16, 2021, filed:

 THIS COURT ORDERS AND DECLARES that any requirement for service of the Notice of Motion, the Second Report and Motion Record be and is hereby abridged, that the Motion is properly returnable today and that all parties requiring notice of this Motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.

- 2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
- THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's 3. certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated April 23, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

- 4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Registry Division of Simcoe (No. 512) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.
- 5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
- 6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.
- 7. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, the Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
- 8. **THIS COURT ORDERS** that, notwithstanding:
 - (a) the pendency of these proceedings;

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

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

- 9. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Retail Sales Tax Act* (Ontario).
- 10. 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.
- 11. **THIS COURT ORDERS** that the conduct, activities and actions of the Receiver as set out in the Second Report be and are hereby authorized and approved.
- 12. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements, as detailed in the Second Report, are hereby approved.
- 13. THIS COURT ORDERS that the Receiver's Fees and that of its counsel SimpsonWigle LAW LLP and of its counsel Wildeboer Dellelce LLP as detailed in

the Second Report, are hereby approved and the Receiver is authorized to pay the same as well as the Receiver's fees and those of its Counsel as approved by the Order of Justice Hainey dated January 6, 2021.

- 14. THIS COURT ORDERS that after payment of the Receiver's Fees as approved by the Order of Justice Hainey dated January 6, 2021 and those of the Receiver and its Counsel as hereby approved and subject to the Receiver maintaining sufficient reserves to satisfy all charges as set out in the Appointment Order and as the Receiver deems necessary to complete the administration of the Receivership proceedings, the Receiver is hereby authorized to make a distribution to:
 - (a) FirstOntario Credit Union Limited for repayment of the Receiver's Borrowings from FirstOntario Credit Union Limited in the amount of \$40,000.00 plus interest thereon in accordance with the Receiver's Certificate:
 - (b) The Town of New Tecumseth on account of outstanding property taxes in the amount of \$9,422.15 plus accrued interest thereon to the date of payment;
 - (c) FirstOntario Credit Union Limited in the amount of \$6,902,611.98 plus accrued interest on the principal amount thereof from December 14, 2020 at a per diem rate of \$1,324.38 to the date of payment plus FirstOntario Credit Union Limited additional legal enforcement expense to the conclusion of the Motion in the amount of \$2,000.00 plus disbursements and HST.

in full and final satisfaction of the indebtedness and liabilities owed to them respectively by the Debtor.

McEST.

Schedule A - Form of Receiver's Certificate

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondent

RECEIVER'S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "Court") dated April 23, 2020, msi Spergel Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of New Tecumseth Land Corporation (the "Debtor").
- B. Pursuant to an Order of the Court dated April 27, 2021, the Court approved the agreement of purchase and sale made as of November 20, 2020 between the Receiver and NTA Development Corporation (the "Purchaser") as amended by Addendum dated January 4, 2021 and as further amended by Addendum No. 3, Addendum No 4 and Addendum No. 5 (collectively, the "Sale Agreement") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set

out in sections 12 and 13 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

[DATE].

- 1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
- 2. The conditions to Closing as set out in sections 12 and 13 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
- The Transaction has been completed to the satisfaction of the Receiver; and
 This Certificate was delivered by the Receiver at _____ [TIME] on _____

MSI SPERGEL INC., in its capacity as Court-Appointed Receiver of New Tecumseth Land Corporation and not in its personal or corporate capacity and without personal or corporate liability

Ву:		
	Name:	
	Title:	

I have authority to bind the Corporation.

Schedule B – Purchased Assets

The lands and premises legally described as:

PIN	58145-0050 LT
DESCRIPTION	PT LT 7 CON 13, TECUMSETH PT 1 51R34706; NEW TECUMSETH

and

PIN	58145-0517 LT
DESCRIPTION	PT LT 7 CON 13 TECUMSETH, BEING PT 3 PL 51R39710, T/W RO517196; TOWN OF NEW TECUMSETH

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

Pin #58145-0050 (LT)

Instrument No. SC1187270 is a Charge registered on January 13, 2015 from New Tecumseth Land Corporation in favour of P.D.R. Investments Ltd.

Instrument No, SC1301746 is a Charge registered on May 5, 2016 from New Tecumseth Land Corporation in favour of FirstOntario Credit Union Limited.

Instrument No. SC1301755 is a Notice of Assignment of Rents - General registered on May 5, 2016 from New Tecumseth Land Corporation in favour of FirstOntario Credit Union Limited.

Instrument No. SC1301765 is a Postponement registered on May 5, 2016 from P.D.R. Investments Ltd. in favour of FirstOntario Credit Union Limited.

Instrument No. SC1684599 is an Application General for Court Order registered on June 2, 2020 from the Ontario Superior Court of Justice in favour of MSI Spergel Inc., in its capacity as Court-Appointed Receiver.

Pin #58145-0517 (LT)

Instrument No. SC654190 is a Notice registered on June 12, 2008 from The Corporation of the Town of New Tecumseth in favour of 1406963 Ontario Ltd.

Instrument No. SC1187270 is a Charge registered on January 13, 2015 from New Tecumseth Land Corporation in favour of P.D.R. Investments Ltd.

Instrument No, SC1301746 is a Charge registered on May 5, 2016 from New Tecumseth Land Corporation in favour of FirstOntario Credit Union Limited.

Instrument No. SC1301755 is a Notice of Assignment of Rents - General registered on May 5, 2016 from New Tecumseth Land Corporation in favour of FirstOntario Credit Union Limited.

Instrument No. SC1301765 is a Postponement registered on May 5, 2016 from P.D.R. Investments Ltd. in favour of FirstOntario Credit Union Limited.

Instrument No. SC1684599 is an Application General for Court Order registered on June 2, 2020 from the Ontario Superior Court of Justice in favour of MSI Spergel Inc., in its capacity as Court-Appointed Receiver.

PERSONAL PROPERTY SECURITY REGISTRATIONS AGAINST PERSONAL PROPERTY File No. 710357067, Registration No. 20150929 1013 1295 7656, renewed by Registration Nos. 20190918 1406 1462 5450 and 20200914 1401 1462 6502 in favour of FirstOntario Credit Union Limited.

File No. 710357121, Registration No. 20150929 1016 1295 7657, renewed by Registration Nos. 20190918 1406 1462 5451 and 20200914 1401 1462 6503 in favour of FirstOntario Credit Union Limited.

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

(unaffected by the Vesting Order)

- 1. any reservation or unregistered restrictions, rights of way, easements or covenants that run with the land;
- 2. any registered or unregistered agreements or easements with a municipality or a supplier of utility services including without limitation, electricity, water, sewage, gas, telephone or cable television or any other telecommunication service;
- 3. any laws, by-laws and regulations;
- 4. any minor easements for the supply of utility service to the land or adjacent lands;
- 5. any encroachments disclosed by any errors or omissions in existing surveys of the Real Property or neighbouring properties and any title defect, encroachment or breach of zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey or the Real Property and survey matters generally;
- 6. any exceptions and qualifications set forth in the Land Titles Act (Ontario);
- 7. any reservation contained in the original grant from the Crown;
- any Land Registrar's registered orders;
- 9. any deposited reference plans.

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- AND -

Court File No. CV-20-639679-00CL NEW TECUMSETH LAND CORPORATION
Respondent

27 April 21

Order to go as per the draft filed and signed.

sought is fair and reasonable, and follows Justice Hainey's previous, The motion is unopposed and supported by the Receiver. The relief similar Order.

outstanding action and the position that any stakeholder might later make As agreed by the stakeholders at the hearing this Order is made on a without prejudice basis with respect to Mr. Brunswick's clients' concerning distribution.

SUPERIOR COURT OF JUSTICE (Commercial Court) ONTARIO

PROCEEDINGS COMMENCED AT TORONTO

APPROVAL, VËSTING AND INTERIM DISTRIBUTION ORDER

SimpsonWigle LAW LLP 1 Hunter Street East

Suite 200

P.O. Box 990

Hamilton, Ontario, L8N 3R1

DAVID J. H. JACKSON **LSUC NO. A015656-R**

(905) 528-8411 Tel:

(905) 528-9008 Fax:

Email: jacksond@simpsonwigle.com

Lawyers for the Receiver, msi Spergel Inc.

Appendix 7 to the Third Report of the Receiver dated October 20, 2021

Mortgage Payout Statement As of May 3, 2021 - Property Sale Date

General Ledger System

Trial Balance: Accrual

Company: 7007 New Tecumseth Land Corporation

Scope: YTD
Comp Currency: CAN
Division(s): *
Sub-Ledger(s): *

P.D.R Investments Ltd - 2nd Mortgage in trust for the following parties per trust agreement

Balance Sheet Accounts

* Account	Account Name	Mortgage Percentage	Original Advance per Trust	Balance of Advance	2nd Mortgage Principal	2nd Mortgage interest	Total 2nd Mortgage Debt:
2400.20	Tanview Investments Ltd.	16.90%	92,650.00	321.62	92,971.62	79,999.83	172,971.45
2400.24	Johnwood Investments Inc.	6.41%	33,576.52	1,676.18	35,252.70	28,410.32	63,663.02
2400.24	P.D.R Investments Ltd.	19.50%	100.000.00	7,248.57	107,248.57	83,760.46	191,009.03
2400.37	859055 Ontario Limited	31.03%	163.533.50	7,107.67	170,641.17	132,827.53	303,468.70
2400.37	Frank Marchetti	9.57%	52,650.00	-	52,650.00	48,189.90	100,839.90
	Villarboit Holdings Ltd	7.50%	33,304,39	7.931.55	41,235.94	34,195.77	75,431.71
2400.52	Andy Vankralingen & Roberta Borland	9.09%	50,000.00	-,,	50,000.00	38,186.30	88,186.30
2400.55	Andy vankramigen & Roberta Bottand	100.00%	525 714 41	24.285.59	550,000.00	445,570,11	995,570.11

Appendix **\$**to the Third Report of the Receiver dated October 20, 2021

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE

BETWEEN:

FIRST ONTARIO CREDIT UNTION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondents

AFFIDAVIT OF TREVOR PRINGLE (sworn October 19, 2021)

I, TREVOR PRINGLE, of the City of Hamilton, in the Province of Ontario, MAKE OATH AND SAY:

- 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 Respondents. 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 Hainey of the Ontario Superior Court of Justice on April 23, 2020 and took effect June 1, 2020 at noon.
- 3. Attached hereto as **Exhibit** "A" are true copies of the Receiver's accounts with respect to professional fees incurred in respect of the receivership of New Tecumseth Land Corporation for the period of April 3, 2021 to October 15, 2021 in the amount of \$26,526.75, inclusive of HST. This represents a total of 74.80 hours at an average rate of \$313.84 per hour. The accounts and supporting time dockets disclose in detail: the nature

of the services rendered, the time expended by each person and their hourly rates, disbursements charged and the total charges for the services rendered.

- 4. The hourly billing rates detailed in this Affidavit are the standard billing and charge out rates of MSI for services rendered in relation to similar proceedings.
- 5. 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 Hamilton market for the provision of similar services.
- 6. 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 Hamilton, in the Province of Ontario, this 19th day of October, 2021.

TREVOR PRINGLE

 \mathcal{L} ómmissionner, etc.

7ammi Michelle Oddi a Commissioner etc Province of Ontario, for mst Spergel inc Expires October 24, 2024

This is Exhibit "A" To the Affidavit of Trevor Pringle

dated October 19, 2021

Tammi Michelle Oddl

a Commissioner etc Province of Ontario, for mst Spergel inc. Expires October 24, 2024 October 19, 2021

Invoice #: 12175

New Tecumseth Land Corp.

151 Spinnaker Way Unit 5 Concord, L4K 4C Billing Period: Oct 15, 2021

Invoice

RE: New Tecumseth Land Corp.

FOR PROFESSIONAL SERVICES RENDERED as Court-Appointed Receiver from April 3, 2021 to October 15, 2021.

	Hours	Hourly Rate	Total
Deborah Hornbostel, CPA, CA, CFE, CIRP,LIT	0.10	\$395.00	\$39.50
Trevor Pringle, CFE, CIRP, LIT	36.00	395.00	14,220.00
Gillian Goldblatt, CPA, CA, CIRP, LIT	26.70	290.00	7,743.00
Mukul Manchanda, CPA, CIRP, LIT	0.70	290.00	203.00
Eileen Sturge	0.60	185.00	111.00
Evan McCullagh	6.50	110.00	715.00
Others	4.20	105.60	443.50
Total Professional fees	74.80	\$313.84	\$23,475.00
HST			3,051.75
Total			\$26,526.75

HST Registration #R103478103

(AANEWT-R)

1/01/70 to 10/15/21

- Time Entry Date: - File ID: AANEWT-R: to AANEWT-R:

- Time Entry Bill Status: - Time Entry Bill Status:

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File Name (ID): New Tecumseth Land Corp. (AANEWT-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deboro	ah Hornbostel ([DHO)			
lues	04/13/2021	Review and approve disbursements	0.10	\$395.00	\$39.50
	man and the contract to a selection	Deborah Harnbostel (DHO)	0.10		\$39.50
Evan N	AcCullagh (EMC	· · · · · · · · · · · · · · · · · · ·			······································
Tues	04/06/2021	Review site visit photos; review quote on removal of garbage, advise	0.10	\$110.00	\$11.00
		to proceed.		,	
Mon	04/12/2021	Review Lockit invoice, prep CHQ REQ.	0.10	\$110.00	\$11.00
Wed	04/14/2021	Draft Fee Affidavit for 2nd report; review invoice and dockets; finalize	1.00	\$110.00	\$110.00
		and commission; review and update SRD; review appendices and			
		update; review 2nd report to court.			
Mon	04/19/2021	Review motion record; arrange for posting on website.	0.10	\$110.00	\$11.00
Tues	04/27/2021	review interim order; arrange for website and review security check email and photos.	0.10	\$110.00	\$11.00
Mon	05/03/2021	Discussion and correspondence with Rocco re site visits to be	0.30	\$110.00	. \$33.00
		cancelled; review confirmation of closing of the sale of the property;			
		review and prep FCA cancelation form, issue to FCA for processing.			
Tues	05/04/2021	Review invoices from Wildeboer, SImpson Wigle LLP, msi and First	1.00	\$110.00	\$110.00
		Ontario, prepare CHQ s for review and approval; correspondence and discussion re wired funds.			
Wed	05/05/2021	Review GL; review and correspond with Town of New Tecumseth re	0.20	\$110.00	\$22.00
mou	03/03/2021	properly taxes; review statement and prep CHQ REQ.	0.20	\$110.00	422.00
Thur	05/06/2021	confirm and request confirmation of receipt of payments re legal,	0.20	\$110.00	\$22.00
		commission etc.			
Fri	05/07/2021	Follow up with FCA re cancelation of insurance.	0.10	\$110.00	\$11.00
Mon	05/10/2021	Correspondence with Adriana at FCA re insurance cancelation;	0.20	\$110.00	\$22.00
		review final invoice and prep CHQ REQ.		**************	
Fri	05/14/2021	Creditor correspondence re RDM Financial; review property tax	0.30	\$110.00	\$33.00
		cheque and statement, prep cover letter and arrange courier.			
Wed	05/19/2021	Correspondence and review re A/P listing, make sure updated.	0.20	\$110.00	\$22.00
Thur	05/27/2021	review GL; prepare 246(2) and SRD; issue to OSB.	1.00	\$110.00	\$110.00
Mon	06/28/2021	Attend Emergia shareholders meeting; update TP and prepare memo to file.	1.00	\$110.00	\$110.00
Wed	09/15/2021	Correspondence with creditor re update on distribution motion.	0.10	\$110.00	\$11.00
Fri	10/15/2021	review GL; prepare updated interm SRD for 3rd report to court; begin	0.50	\$110.00	\$55.00
	The state of the forest part of the state of	draft fee affidavit.			
		Evan McCullagh (EMC)	6.50		\$715.00
Elleen	Sturge (EST)				
Tues	08/17/2021	Fax to CRA	0.10	\$185.00	\$18.50
Fri	10/15/2021	Admin on file	0.50	\$185.00	\$92.50
		Eileen Sturge (EST)	0.60		\$111.00
Gillian	n Goldblatt (GG	50)			
Tues	04/06/2021	Begin draffing second report to court.	0.50	\$290.00	\$145.00
Wed	04/07/2021	Continue drafting Second Report to Court.	5.30	\$290.00	\$1,537.00
Thur	04/08/2021	Finish drafting second report to court; review and approve	2.10	\$290.00	\$609.00
		disbursement; review summary of amounts owing to promissory			
		noteholders with accrued interest to date of Receivership as			
		provided by debtor, follow up on discrepancies and review further			
	grant to the second	cancelled cheques provided by debtor.	of the second of the control of the second o	THE STATE OF THE S	
Fri	04/09/2021	Update appendices for counsel fees and affidavit.	0.20	\$290.00	\$58.00
Tues	05/11/2021	review and approve disbursements.	0.20	\$290.00	\$58.00
Thur	06/10/2021	Review and agree second mortgage documents provided to those previously provided to the Receiver.	1.00	\$290.00	\$290.00
		TO STATE AND ADMINISTRATION OF THE STATE OF	0.50	\$290.00	\$145.00

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- Time Entry Date:

1/01/70 to 10/15/21

- File ID:

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illian i					Amoun
MINGH!	Goldblatt (GGC	o) `			
Ved	07/28/2021	t/c.with I.: Pringle re:3rd r,report to court.	0.50	\$290.00	\$145.0
ues	08/03/2021	Begin drafting outline for 3rd report to court.	3.30	\$290.00	\$957.0
Ved	08/04/2021	Continue drafting 3rd report to court; t/c with CRA re:HST Q2 filing	3.80	\$290.00	\$1,102.0
hur	08/05/2021	t/c with CRA re:submission of HST ITC backup; prepare fax cover	2.90	\$290.00	\$841.0
		letter to CRA; collect invoices and instruct S. Tolat as to fax;		·	
		continue drafting report.			
ues	08/10/2021	continue drafting report.	1.10	\$290.00	\$319.00
ues	08/17/2021	Complete RC342 and file with CRA.	0.50	\$290.00	\$145.0
Mon	09/13/2021	t/c with T. Pringle re:proposed distribution review process; begin	0.20	\$290.00	\$58.0
		review of proposed distribution of cash and shares to noteholders,			
		investors, and to previously provided to the Receiver.		M 1000 AND 100	error elles contant constitut av en al manife elle
Ved	09/15/2021	Finish review of proposed distribution of cash and shares to	1.10	\$290.00	\$319.00
		nateholders, investors, and to previously provided to the Receiver;			
		email to T. Pringle re:discrepancies.			
ri	09/24/2021	review submission of RC342; email to E. Sturge to follow up with	0.20	\$290.00	\$58.00
		CRA re:notice of T2 filing status.			
ues	09/28/2021	discussion with T. Pringle re:distribution order outstanding	2.10	\$290.00	\$609.0
		information; review emails from G. Guoyo; review additional	*		
		documentation provided by company, verify revised calculations			
		for promissory noteholders and second mortgage; email to T.			
		Pringle with outstanding items.		***************************************	***
Wed	09/29/2021	send document request to Guery Goyo.	0.10	\$290.00	\$29.0
Thur	09/30/2021	Review updated second mortgage calculations with May 3, 2021 interest date; send comments to T. Pringle.	0.10	\$290.00	\$29.0
Fri	10/01/2021	reconcile individual second mortgageholders interest schedules to	0.50	\$290.00	\$145.0
		master spreadsheet prepared by the company.	0.50	#000 00	\$145.0
Fri	10/08/2021	review of additional VHL interest schedule provided by G. Goyo; review additional responses to outstanding items; review revised	0.50	\$290.00	\$145.0
	MATERIAL PROPERTY OF THE PROPE	Gillian Goldblatt (GGO)	26.70	And the second s	\$7,743.0
Hinna	Shaikh (HSH)	· · · · · · · · · · · · · · · · · · ·			
Mon	04/19/2021	updated site	0.10	\$110.00	\$11.0
			0.10		\$11.0
	At 11 \$4.00	Hinna Shaikh (HSH)	0.10	**************************************	311.0
Mon	05/03/2021	General	2.40	\$100.00	\$240.0
	00,00,2021		2.40		\$240.0
		Haran Sivanathan (HSI)	2.40		\$240.0
	riptuleac (IFR)		0.00	#100 CC	***
Mon	04/05/2021	Issue cheque	0.20	\$100.00	\$20.0
Thur	04/15/2021	Issue cheque	0.20	\$100.00	\$20.0
Mon	05/03/2021	Postings	0.20	\$100.00	\$20.0
Mon	05/10/2021	Issue cheques	0.80	\$100.00	\$80.0
Mon	08/23/2021	Deposit;	0.20	\$100.00	\$20.0
		Inga Friptuleac (IFR)	1.60		\$160.0
	diken (JAD)			****	***
Mon	04/19/2021	March 5, 2021 - Review and sign cheques . 1	0.10	\$325.00	\$32.5
		Jeff Adiken (JAD)	0.10		\$32.5
***************************************	I Manchanda (i		0.10	\$200.00	ድ ሳስ ስ
Tues	04/13/2021	Receipt, review and approve payable.	0.10	\$290.00	\$29.0

- File ID:

- Time Entry Date:

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Mukul	Manchanda (N	MA)			
(ves	05/04/2021	: Felephone call with L. Pringle regarding receipt of wire transfer.	0.30	\$290.00	\$87.00
		Discussion with H. Sivanathan regarding same. Receipt, review and			
		approve wire transfer to First Ontario.			
Wed	05/05/2021	Receipt, review and approve payables.	0.20	\$290.00	\$58.00
Tues	05/11/2021	Receipt, review and approve payables.	0.10	\$290.00	\$29.00
		Mukul Manchanda (MMA)	0.70	•	\$203.00
Trevor	Pringle (TPR)				
Mon	04/05/2021	review site photos; review G/L; correspond with David Jackson,	0.20	\$395.00	\$79.00
		lawyer			
Tues	04/06/2021	correspondence re garbage clean-up at site; correspond/tdw	0.30	\$395.00	\$118.50
		David Jackson, lawyer; correspondence re Amendment No. 5 to APS & Court date			
Wed	04/07/2021	correspondence re Court date on April 27th to approve	0.20	\$395.00	\$79.00
		amendment No. 5 to APS; call Virginia Selemídis, FirstOntario re			
		Court date			
Thur	04/08/2021	review Goyo correspondence; review G/L; review and make	0.90	\$395.00	\$355.50
		amendments to draft second report to court; review appendices;			
		correspond/tdw David Jackson, lawyer re draft second report;			
		discussions/correspondence re 2nd report; review cancelled			
		cheques			
Fri	04/09/2021	review WILDEBOER DELLELCE LLP fee affidavit	0.10	\$395.00	\$39.50
Mon	04/12/2021	review and approve payment of Lockit invoice; review site photos;	2.50	\$395.00	\$987.50
	• • •	review G/L; correspond/tdw David Jackson, lawyer re draft second			
		report to court; review and make changes to draft second report			
		to court; review and make changes to appendices to draft report;			
		taw Mike Yull, Cushman & Wakefield; correspond/tdw Virginia			
~	04/12/2001	Selemidis, FirstOntario correspond with Virginia Selemidis, FirstOntario; tdw David Jackson,	0.30	\$395.00	\$118.50
Tues	04/13/2021	lawyer; review draft second report to Court	0.00	4070,00	******
Wed	04/14/2021	review and make changes to amended second report to Court;	1.40	\$395.00	\$553.00
Heu	04/14/2021	review and amend appendices to second report;		,	
		discussions/correspondence re finalizing motion material; review			
		and execute fee affidavit; review invoice and time dockets; review			
		and amend interim statement of receipts and disbursements;			
		review G/L; correspond/tdw David Jackson, lawyer re motion			
		material		and the second s	
Thur	04/15/2021	correspond/tdw's David Jackson, lawyer;	1.30	\$395.00	\$513.50
		discussions/correspondence re appendices to second report;			
		review Simpson Wigle fee affidavit; finalize second report to court;			
		review and execute second report to Court; review G/L; review site photos			
Mon	04/19/2021	review G/L; review Motion Record including Notice of Motion;	0.50	\$395.00	\$197.50
		correspond/tdw David Jackson, lawyer; review Simpson Wigle			
		correspondence/amended receivers certificate; tdw Virginia			
		Selemidis, FirstOntario	The second of th		
Tues	04/20/2021	review site photos	0.10	\$395.00	\$39.50
Fri	04/23/2021	review site photos; review G/L	0.10	\$395.00	\$39.50
Mon	04/26/2021	review G/L; tdw David Jackson, lawyer; review and approve	0.30	\$395.00	\$118.50
		amended statement of adjustments			

- File ID:

- Time Entry Date:

1/01/70 to 10/15/21

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Trevor	Pringle (TPR)				
Tues	:04/27/2021	review site photos; attend motion to Court re approval of amendment no. 5 to APS (via Zoom); correspond/tdw David Jackson, lawyer; review interim approval, vesting & distribution order; tdw Virginia Selemidis, FirstOntario; review and execute Receivers Certificate re closing; correspond/tdw Gokcin Nalsok, lawyer re closing; review creditor correspondence; tdw Mike Yull, Cushman & Wakefield	1.30	:\$395.00	\$434.50
Thur	04/29/2021	correspond with Ross Macfarlane, lawyer re property sale closing; review site photos	0.10	\$395.00	\$39.50
Mon	05/03/2021	correspond with Gokcin Nalsok, lawyer re property sale closing; correspond with David Jackson, lawyer; correspond with Mike Yull, Cushman & Wakefield; review G/L; correspond with Nancy Mousseau, Simpson Wigle LLP; correspond with Virginia Selemidis, FirstOntario; review Direct Registration System - Transaction Advice from TSX Trust; review Emergia Inc. Certificate of Compliance; review share delivery order; review FirstOntario payout statement and wire instructions; review Cushman & Wakefield commission invoice; review SW wire confirmation; review and sign insurance cancellation	1.40	\$395.00	\$553.00
Tues	05/04/2021	review and approve final distribution to FirstOntario; discussions/correspondence re wire confirmation; review G/L; review and approve payment of property maintenance invoice; review 2.17 Issuance of 300,000 Emergia shares; taw David Jackson, lawyer re next distribution process; correspond/taw Virginia Selemidis, FirstOntario	0.90	\$395.00	\$355.50
Wed	05/05/2021	review G/L; review and approve payment of legal fees; review and approve payment of Cushman & Wakefield's commission invoice; review statement of adjustments; review interim distribution order; discussions/correspondence re property tax arrears; correspond with Virginia Selemidis, FirstOntario; review and approve payment of property taxes	0.80	\$395.00	\$316.00
Thur	05/06/2021	review G/L; correspond with Nancy Mousseau, Simpson Wigle; review closing documents including tax certificate, registered application for vesting order, purchaser's H\$T declaration & indemnity; correspondence re EFT payments	0.50	\$395.00	\$197.50
Fri	05/07/2021	review G/L; review TSX Trust DRS statement	0.10	\$395.00	\$39.50
Mon	05/10/2021	review G/L; review TSX Trust statement; correspondence re further distribution; review and approve payment of final insurance invoice	0.40	\$395.00	\$158.00
Wed	05/12/2021	review G/L; correspond/tdw's David Jackson, lawyer re 2nd mortgage, unsecured creditors; conference call with Stephen Brunswick, Matthew Sokolsky & David Jackson, lawyers re litigation, further distribution; review PDR 2nd mortgage; review A/P listing; review financial statements; review statement of co-tenants equity	1.40	\$395.00	\$553.00
Fri	05/14/2021	review/respond re RDM Financial correspondence; review G/L; review A/P listing; review RDM promissory note; review service list; review and sign property tax letter	0.40	\$395.00	\$158.00
Mon	05/17/2021	call/correspond with Davld Jackson, lawyer re PDR 2nd mortgage	0.10	\$395.00	\$39.50
Tues		review Brunswick/Schmied correspondence; correspond/Idw's David Jackson, lawyer re PDR 2nd mortgage, promissory notes; review Johnwood promissory note calculation; review G/L	0.50	\$395.00	\$197.50

- Time Entry Date:

1/01/70 to 10/15/21

- File ID:

AANEWT-R: to AANEWT-R:

Time Entry Bill Status:Time Entry Bill Status:

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Day	Date	Memo	B-Hrs	B-Rate	Amount
revor	Pringle (TPR)				
Wed	:05/19/2021	review.Schmied/Brunswick.correspondence re PDR 2nd mortgage: review financial statements; review promissory notes; review A/P listing; review Simpson Wigle correspondence to Brunswick re stakeholders; correspond with Guery Goyo re RDM promissory note; correspond/tdw David Jackson, lawyer; review 2nd mortgage/trust agreement signatures	0.90	.\$395.00	\$355.50
Wed	05/26/2021	review G/L; correspondence re PDR 2nd mortgage/Brunswick lawsuit	0.10	\$395.00	\$39.50
Thur	05/27/2021	review and sign Receiver's Interim Report 246(2); review Brunswick correspondence re PDR 2nd mortgage	0.20	\$395.00	\$79.00
Fri	05/28/2021	review Brunswick/Upenieks correspondence re PDR 2nd mortgage distribution; correspond with David Jackson, lawyer	0.20	\$395.00	\$79.00
Wed	06/02/2021	correspond/tdw David Jackson, lawyer; review G/L	0.10	\$395.00	\$39.50
Fri	06/04/2021	review correspondence re 2nd mortgage; correspond with David Jackson, lawyer	0.10	\$395.00	\$39.50
Tues	06/08/2021	correspondence re PDR 2nd mortgage/distribution; review G/L; correspond with David Jackson, lawyer	0.30	\$395.00	\$118.50
Wed	06/09/2021	correspondence re PDR 2nd mortgage conference call & agenda; correspond/tdw's David Jackson, lawyer re interim distribution issues; review G/L; review Emergia shares; review PDR 2nd mortgage interest calculation; review accounts payable listing; conference call with Brunswick, Upenieks, Jackson - lawyers & Schmieds et al re PDR 2nd mortgage & interim distribution	1.10	\$395.00	\$434.50
Thur	06/10/2021	correspondence re PDR 2nd mortgage interest calculations	0.10	\$395.00	\$39.50
Mon	06/14/2021	review Emergia notice of annual meeting of shareholders and proxy form; review G/L	0.30	\$395.00	\$118.50
Mon	06/21/2021	correspondence re 2nd mortgage; review G/L	0.10	\$395.00	\$39.50
Mon	07/05/2021	review G/L; correspondence re Emergia shareholder meeting	0.10	\$395.00	\$39.50
Fri	07/16/2021	correspondence re 2nd mortgage; review G/L	0.10	\$395.00	\$39.50
Wed	07/28/2021	review G/L; review April to June 2021 HST return; correspond with David Jackson, lawyer; review Lawrences correspondence	0.40	\$395.00	\$158.00
Thur	07/29/2021	review financial statements; review books and records; review accounts payable listing; review 2nd mortgage pay-out calculation; review unsecured creditors; review non-litigant investors percentages; review litigant investors percentages; review claims register; review agreement of purchase & sale; review addendum no. 5 to APS; review Emergia share price; review share delivery order; conference call with David Jackson, lawyer re distribution motion; correspond with Troy Pocaluyko, lawyer	2.50	\$395.00	\$987.5C
Fri	07/30/2021	correspond with Troy Pocaluyko, lawyer, correspond with David Jackson, lawyer; review books and records re distribution motion; review creditors; review bank statements; review G/L; review Emergia share price; conference call with David Jackson/Stephen Brunswick/Matthew Sokolsky/Ed Upenieks, lawyers re distribution	1.40	\$395.00	\$553.00
Thur	08/05/2021	motion review G/L; review Emergia share price; conference call with David Jackson & Troy Pocaluyko, lawyers re distribution of Emergia shares; discussions/review of books and records re distribution motion	0.90	\$395.00	\$355.50
Tues	08/10/2021	review G/L; correspondence re 2nd mortgage/promissory notes/distribution motion	0.10	\$395.00	\$39.50
Thur	08/12/2021	review draft third report to Court; review accounts payable listing; review financial statements; review claims register	0.50	\$395.00	\$197.50
Mon	08/23/2021	review G/L; correspondence re share distribution	0.20	\$395.00	\$79.00

- Time Entry Date:

1/01/70 to 10/15/21

- File ID:

AANEWT-R: to AANEWT-R:

Time Entry Bill Status:Time Entry Bill Status:

Un-Billed to Un-Billed Un-Billed to Un-Billed MSGG - Detailed Time Dockets

Printed on: 10/19/21

Page 6 of 7

Day	Date	Memo	B-Hrs	B-Rate	Amount
revor	Pringle (TPR)				
Mon	08/30/2021	review G/L: correspondence re distribution of Emergia shares; correspond/tdw David Jackson, lawyer re investors letter, SRD	0.40	\$395.00	\$158.00
Tues	08/31/2021	review G/L; review and make changes to interim statement of receipts and disbursements; correspond with David Jackson, lawyer	0.40	\$395.00	\$158.00
Thur	09/02/2021	correspondence re Emergia shares, interim accounting	0.10	\$395.00	\$39.50
Wed	09/08/2021	review G/L	0.10	\$395.00	\$39.50
Fri	09/10/2021	correspond with David Jackson, lawyer; review Upenieks distribution summary; correspondence re distribution motion	0.30	\$395.00	\$118.50
Mon	09/13/2021	review G/L; discussions/correspondence re distribution process; correspond/tdw David Jackson, lawyer re distribution process; review proposed distribution schedule; review accounts payable/outstanding invoices; review Emergia share price; correspond w/call Ed Upenieks, lawyer re proposed distribution process	1.20	\$395.00	\$474.00
Wed	09/15/2021	review claims register, creditor correspondence; correspondence re proposed distribution schedule	0.20	\$395.00	\$79.00
Fri	09/17/2021	review G/L; correspond/tdw David Jackson, lawyer	0.20	\$395.00	\$79.00
Wed	09/22/2021	correspond/taw David Jackson, lawyer; review G/L; review Emergia correspondence	0.30	\$395.00	\$118.50
Fri	09/24/2021	review G/L; correspond with lawyers; tdw David Jackson, lawyer	0.10	\$395.00	\$39.50
Mon	09/27/2021	review G/L; review Emergia share price; review Goyo distribution schedule; conference call with David Jackson, Ed Upenieks, Don Parente & Stephen Brunswick et al, lawyers re distribution motion; tdw David Jackson, lawyer	0.70	\$395.00	\$276.50
Tues	09/28/2021	discussions/correspondence re distribution schedule; correspond/tdw David Jackson, lawyer; correspond with Guery Goyo Sr. & Guery Goyo Jr. re distribution schedule; correspond with Jonah Waxman, lawyer; review investor list; correspond/tdw Troy Pocaluyko, lawyer re investor letter; review loans payable interest rate reduction agreement; review RDM fee reduction agreement; correspond with Eleonora Schmied, PDR Investments Ltd re 2nd mortgage pay-out statement; review changes to investor letter	1.30	\$395.00	\$513.50
Wed	09/29/2021	correspondence re distribution schedule, motion date; review Commercial Form C re motion on October 29th; correspond with Troy Pocaluyko, lawyer; review Pocaluyko Letter to Investors & Creditors; review Accredited Investor Certificate; correspond with Stephen Brunswick & Ed Upenieks, lawyers re accredited investor certificates	0.90	\$395.00	\$355.50
Thur	09/30/2021	review PDR Investments martgage pay-out statement and spreadsheets; correspond with Eleonora Schmied, PDR Investments; tdw David Jackson, lawyer re PDR 2nd mortgage	0.50	\$395.00	\$197.50
Fri	10/01/2021	discussions/correspondence re PDR Investments 2nd mortgage pay-out	0.10	\$395.00	\$39.50
Mon	10/04/2021	correspond with Troy Pocaluyko, lawyer re investor certificates; review non-litigation and loans payable investor certificates provided by Lawrence, Lawrence, Stevenson LLP	0.40	\$395.00	\$158.00
Tues	10/05/2021	correspondence re investor certificates, 2nd mortgage; correspond with Ed Upenieks, lawyer	0.20	\$395.00	\$79.00
Tues	10/12/2021	correspond with Eleonora Schmied, PDR Investments re 2nd mortgage pay-out; review G/L	0.20	\$395.00	\$79.00
Thur	10/14/2021	review appendices to third report to Court; review draft third report to Court; review G/L	0.30	\$395.00	\$118.50

- Time Entry Dafe:

1/01/70 to 10/15/21

- File ID: AANEWT-R: to AANEWT-R:

Time Entry Bill Status:Time Entry Bill Status:

Un-Billed to Un-Billed Un-Billed to Un-Billed MSGG - Detailed Time Dockets

Printed on: 10/19/21

Page 7 of 7

Day	Date	Memo	B-Hrs	B-Rate	Amount
Trevo	Pringle (TPR)				-
Fri	10/15/2021	review and make changes to draft report to Court; Emergia correspondence; correspond with David Jackson, lawyer; review appendices to report; review accounts payable listing; review books and records; review Goyo draft distribution schedule; review draft Bullock fee affidavit; review draft Spergel fee affidavit; review G/L; review draft statement of receipts and disbursements; review financial statements; review statement of co-tenants' equity; review Emergia stock price	1.60	\$395.00	.\$632. 0 0
Pri	10/15/2021	correspond with Troy Pocaluyko, lawyer; review investor certificates	0.90	\$395.00	\$355.50
		Trevor Pringle (TPR)	36.00		\$14,220.00
		Total for File ID AANEWT-R:	74.80		\$23,475.00
		Grand Total:	74.80		\$23,475.00

Appendix 9 to the Third Report of the Receiver dated October 20, 2021

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondent

AFFIDAVIT OF TIMOTHY BULLOCK

I, TIMOTHY BULLOCK, of the City of Hamilton, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

- I am a partner at the law firm of SimpsonWigle LAW LLP, lawyers for the Receiver, msi Spergel Inc. (the "Receiver"), and as such, have knowledge of the matters to which I hereinafter depose.
- SimpsonWigle LAW LLP was retained by the Receiver to act on its behalf to provide it with legal advice and services arising from and relating to its appointment as Receiver, without security, of all of the assets, undertakings and properties of New Tecumseth Land Corporation, acquired for or used in relation to a business carried on by New Tecumseth Land Corporation.

- 3. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a copy of our invoice to the Receiver dated October 13, 2021 which sets out particulars of the services rendered on April 13, 2021 and April 14, 2021 which were not included in our account to the Receiver dated April 14, 2021 and for all services rendered from and including April 15, 2021 to and including October 13, 2021 by SimpsonWigle LAW LLP to the Receiver. The invoice is for fees of \$11,590.00, disbursements of \$395.70 and HST of \$1,516.54, making a total of \$13,502.24. The invoice remains unpaid.
- 4. Particulars of the hours expended by lawyers David Jackson and Gokcin Nalsok, and legal clerk with respect to the above-noted invoice, are particularized in the Billing Information Summaries which is attached as **Exhibit "B"**.
- 5. The fees of SimpsonWigle LAW LLP as set out in the aforesaid invoice are generally calculated by multiplying the hours expended by SimpsonWigle LAW LLP's aforesaid lawyers' and legal clerk's standard billing and charge out rates.
- 6. The standard billing and charge out rates of SimpsonWigle LAW LLP, are to the best of my knowledge, comparable to the rates charged by other law practitioners and their staff having the same or similar experience and expertise as the lawyers and staff of SimpsonWigle LAW LLP with respect to the provision of similar services to those provided by SimpsonWigle LAW LLP in this matter.
- 7. It is estimated that legal costs to complete the administration of the receivership, including the completion of the Notice of Motion, draft Distribution Order and Motion Record and attendance before the presiding judge to obtain the requisite Order with respect to the distribution and with respect to a discharge Motion to be brought in the future will be no more than \$15,000.00 inclusive of disbursements and HST
- 8. This Affidavit is made in support of the Receiver's application for approval of its counsel's fees for services rendered on April 13, 2021 and April 14, 2021 which

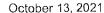
were not included in our account to the Receiver dated April 14, 2021 and for all services rendered from and including April 15, 2021 to and including October 13, 2021.

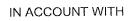
SWORN BEFORE ME at the City of Burlington, in the Province of Ontario, this 19th day of October, 2021.

Commissioner for Taking Affidavits (or as may be)

Timothy Bullock

This is Exhibit referred to in the affidavit of June 1942, swom before me, this 1942, day of October 2021.







1 Hunter Street East, Suite 200 Hamilton, Ontario L8N 3W1 P.O. Box 990, Hamilton, Ontario L8N 3R1 Tel: 905-528-8411 Fax: 905-528-9008 www.simpsonwigle.com msi Spergel Inc. 510 – 21 King Street West Hamilton, ON L8P 4W7

Attention: Trevor Pringle

PLEASE RETURN ONE COPY OF OUR ACCOUNT WITH YOUR PAYMENT

Re:

msi Spergel Inc., Court appointed Receiver of New Tecumseth Land Corporation

File No: 800255

TO ALL SERVICES RENDERED on April 13, 2021 and April 14, 2021 which were not included in our account dated April 14, 2021 and to all services rendered from and including April 15, 2021 to and including October 13, 2021 respect to the above-captioned matter, particulars of which include the following:

- To all services rendered with respect to assisting the Receiver with respect to the completion of the Receiver's Second Report including telephone communications with lawyer Troy Pocaluyko and with Mr. Pringle on April 13, 2021 and to further communications with Mr. Pringle and concluding our recommendations with respect to finalizing the Receiver's Second Report;
- To preparation of SimpsonWigle's Fee Affidavit to be included in the Motion Record with respect to the Approval, Vesting and Distribution Motion (the "A & V Motion");
- To preparation of the Notice of Motion with respect to the A & V Motion; to drafting and preparation of draft Order with respect to the A & V Motion and to completing the A & V Motion Record and to service of the same upon the Service List;
- To preparation for and attendance before Justice McEwen to obtain the Approval, Vesting and Interim Distribution Order;
- To all services rendered with respect to completing the Agreement of Purchase and Sale between the Receiver and NTA Development Corporation;
- To communications with the stakeholders with respect to determining the interest of the various stakeholders in the proceeds from the sale of the completion of the Agreement of Purchase and Sale, including our correspondence to lawyer Stephen Brunswick on April 19, 2021 with the Receiver's preliminary spreadsheet; to communications with various stakeholders and preparation for a conference call with the stakeholders and the Receiver on June 9, 2021; to furthering settlement with respect to a further interim distribution;
- To further communications in July relative to the position of the various stakeholders including telephone communication with lawyer Ed Upenieks and Stephen Brunswick on July 30, 2021;

- To communications with lawyer Troy Pocaluyko and Trevor Pringle relative to furthering a distribution in kind of the shares of Emergia;
- To further communications with lawyer Troy Pocaluyko and with the Receiver relative to preparation of a draft letter for delivery to the stakeholders relative to their consent to the distribution in kind and with respect to furthering their accreditation information;
- To receipt of correspondence in September 2021 from Mr. Upenieks relative to a proposed distribution and supported by Mr. Schmied on behalf of his client;
- To communications in September 2021 with Mr. Parente relative to the unsecured claim on his firm:
- To preparation for and attendance on conference call with the stakeholders and Mr. Pringle on September 27, 2021 with respect to further a proposed interim distribution;
- To receipt of further communications from lawyer Troy Pocaluyko and Isabelle Lamy relative to obtaining the requisite accreditation from the stakeholders relative to a distribution of shares in kind;
- To communications with the Receiver relative to the amount of the outstanding indebtedness of the second mortgagee, PDR;
- To all services rendered with respect to obtaining a Court date for the Motion for a
 proposed distribution and to communications with the Court and with the Service List with
 respect to the same, such Motion being scheduled for October 29, 2021;
- To preliminary services with respect to the preparation of the Fee Affidavit of SimpsonWigle;
- To all miscellaneous services.

OUR ACCOUNT ALL HEREIN

FEE

FEE \$11,590.00 HST 1,506.70

TOTAL FEE AND HST

\$13,096.70

DISBURSEMENTS

File Motion Record	\$ 320.00	Ν
Courier charges	45.70	T
PPSA registration	 30.00	T

Page | 3

Total disbursements HST (on \$75.70)

\$395.70 9.84

TOTAL DISBURSEMENTS AND HST

405.54

TOTAL FEE, DISBURSEMENTS AND HST

\$13,502.24

E. & O.E.

This is our Account herein SimpsonWigle LAW LLP

Per:

David J. H. Jackson

In accordance with Section 33 of the Solicitors Act, interest will be charged at the rate of 3.0% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

G.S.T. Registration Number is R122007156

SimpsonWigle LAW LLP

Billing Statement to 13 Oct 21 requested by DJJ

Date: 13 Oct, 2021

Page:

Bill #: ____

Client MANSP MSI Spergel Inc.

21 King Street West Hamilton ON L8P 4W7

CAN

Client Lawyer: D. J. Jackson

File

Date opened: 17 April 2020 FirstOntario Credit Union v. New Tecumseth Development 800255

Receivership of New Tecumseth Development Corporation (141 Litigation (Non Levy))

TAXABLE -

Responsible: David J. Jackson - Emeritus Assigned: David J. Jackson - Emeritus

Email:tpringle@spergel.ca

UN	D I	レレ	ED	ı	į	IVI	E.	

UNBILL	ED TIME		Bill	Bill
	N	Lawyer	Hours	/ Value
Date	Narrative telephone conference with Trevor Pringle and email to Ed	211 DJJ	.5	247.50
29 Jul 21				
29 Jul 21	Upenicks telephone conference with Ed Upenicks and email re call	211 DJJ	.3	148.50
29 Jul 21	scheduling with Stephen Brunswick			
30 Jul 21	preparation for 2:00 p.m. call	211 DJJ	.1	49.50
30 Jul 21	telephone conference with Trevor Pringle, Matt, Stephen	211 DJJ	.5	247.50
30/341/21	Brunswick and Ed Upenicks re settlement structure etc			
05 Aug 21	telephone conference with Troy and Trevor re issues for in	211 DJJ	.3	148.50
03 1146 21	kind distribution			
10 Aug 21	status request letter from Mr. Schaeffer and respond the	211 DJJ	.3	148.50
	same			T.O. CO.
30 Aug 21	receive and review letter from Troy re exemption, reply to	211 DJJ	1.5	742.50
	Troy and Trevor re process and clarification emails with			
	Upenicks and report re accounting	arr DII	,	148.50
30 Aug 21	receive and review letter from Troy re amendments and	211 DJJ	.3	148.30
	process, speak to Trevor and reply to Troy by email	211 DJJ	.3	148.50
10 Sep 21	receive and review letter from Ed Upenicks, review	211 1000	, ,	140.50
	proposed settlement in preparation for te with Trevor	211 DJJ	.1	49.50
10 Sep 21	receive and review letter from Schmied and reply	211 DJJ	.3	148.50
14 Sep 21	telephone conference with Trevor re investors' setthement	211 1555		
22.5	proposal email from Troy/Isabell and telephone call with Trevor to	211 DJJ	.2	99.00
22 Sep 21	discuss same			
24 Sep 21	receive and review letter from Don Parente, to with Don	211 DJJ	.5	247.50
24 Sep 21	Parente, emails with Don Parente re scheduling, to with Trev	or		
	Pringle			
27 Sep 21	prepare for and attend on telephone confernce re	211 DJJ	.9	445.50
	distribution motion; post telephone conference call with Trev	or or		
	Pringle	011.011	.1	49.50
28 Sep 21	Email from lawyer Waxman and telephone communication	211 DJJ	.1	49.30
	with Trevor with respect to furthering the preparation of the			
	Report	211 DJJ	.4	198,00
28 Sep 21	receive and review letter from Trevor re PDR, reply with	211 1533		170.00
	recommendations, email from Goyo (cursory review), email			
*** ***	exchange with Troy receive and review letter from Tevor re Schmied	211 DJJ	,2	99.00
30 Sep 21	receive and review letter from Goyo and reply	211 DJJ	.1	49.50
30 Sep 21		211 DJJ	.1	49.50
04 Oct 21 13 Oct 21		211 DJJ	1.5	742.50
13 Oct 21		117 SB	.5	62.50
15 Oct 21	ongagod diatem 5 1 00 1 mm a m			
	Total unbilled time		24.1	11,592.50
	HST on 11,592.50 @ 13%			1,507.03
	Total unbilled Time & Taxes			13,099.53

TIME SUMMARY

<u>Lawyer</u> Gokein Nalsok	1.5 (6415.00	===	Bill <u>Value</u> 788.50 62.50	Entered <u>Hours</u> 1.9 .5	Entered <u>Value</u> 788.50 62.50	Last <u>Entry</u> 6 Oct 2021 13 Oct 2021
Sherine Burke	.5 @125.00	===	62.50	.3	62.30	13 Oct 2021

SimpsonWigle LAW LLP Billing Statement to 13 Oct 21 requested by DJJ

Date: 13 Oct, 2021

Page: 1

Bill #: ____

Client

MANSP MSI Spergel Inc.
21 King Street West
Hamilton ON L8P 4W7 CAN

Client Lawyer: D. J. Jackson

File

Date opened; 17 April 2020 FirstOntario Credit Union v. New Tecumseth Development 800255

Receivership of New Tecumseth Development Corporation (141 Litigation (Non Levy))

TAXABLE -

Responsible: David J. Jackson - Emeritus Assigned: David J. Jackson - Emeritus

Email: tpringle@spergel.ca
UNBILLED TIME

ONBIE	CD TIME		Bill	Bill	
Date	Narrative	Lawyer	Hours	Value	
13 Apr 21	telephone conference with Trevor, Troy, commence amendments to the report	211 DJJ	1.3	643.50	
13 Apr 21	complete draft second Report and report	211 DJJ	1.4	693.00	
14 Apr 21	telephone conference with Trevor re finalizing the report,	211 DJJ	.2	99.00	
	directions to Clerk re drafting Notice of Motion				
15 Apr 21	instructions to clerk re motion record	211 DJJ	.1	49.50	
15 Apr 21	engaged in review of dockets re preparation of fee affidavit	211 DJJ	.2	99.00	
15 Apr 21	prepare for and call with Trevor re finalizing APS includes completion of the fee affidavit	211 DJJ	.4	198.00	
16 Apr 21	preparation of order and notice of motion, directions to clerk, commence review	211 DJJ	2.6	1,287.00	
16 Apr 21	finalize the notice of motion and the draft order	211 DJJ	.7	346.50	
18 Apr 21	engaged in review of draft order, amend Receiver's certificate and report	211 DJJ	.2	99.00	
27 Apr 21	prepare for and attend before Justice McEwen re approval and vesting	211 DJJ	.8	396.00	
03 May 21	email T. Pocaluyko re shares; emails to and between Beber re closing; signed closing documents and shares; close transaction	115 GN	1.9	788.50	
03 May 21	receive and review letter from Schmied re enforceability of mortgage accounts	211 DJJ	.1	49.50	
04 May 21	telephone conference with Trevor re next steps to further distribution	211 DJJ	.3	148.50	
07 May 21	prepare and forward letter to Brunswick re distribution and forward to Trevor	211 DJJ	.1	49.50	
11 May 21	telephone conference with Trevor re preparation for te with Steve and Matthew, follow up call with Trevor	211 DJJ	1.2	594.00	
18 May 21	receive and review letter from Brunswick, Schmied, reply re distribution	211 DJJ	.1	49.50	
18 May 21	engaged in review of amend, finalize accounting letter to Brunswick	211 DJJ	.2	99.00	
18 May 21	engaged in review of Receiver's spreadsheet, general ledger does etc, email to Brunswick, copied to Schmied and Ed Upenieks re stakeholder's interest, includes to with Trevor, email from Trevor re Johnwood and reply	211 DJJ	1.6	792.00	
19 May 21	email from Mr. Finkelstein and reply relative to status of future distribution	211 DJJ	.1	49.50	
19 May 21	monitor emails Schmied/Brunswick	211 DJJ	.1	49.50	
02 Jun 21	various emails re call for settlement purposes	211 DJJ	.1	49.50	
04 Jun 21	communications from various parties as to the forthcoming telephone conference and responding to Ed Upenieks' concern and request	211 DJJ is	.3	148.50	
08 Jun 21	receive and review letter from Ed Upenicks (1) and Stephen Brunswick	211 DJJ	.1	49.50	
09 Jun 21	telephone conference with Trevor to prepare for 4:15 call, review emails from Schmied and respond, email from Brunswick	211 DIJ	.4	198.00	
09 Jun 21	telephone conference call with service list re settlement and follow up with Trevor Pringle	211 DJJ	.3	148.50	
16 Jul 21	receive and review emails re status of settlement discussions	211 DJJ	.1	49.50	
29 Jul 21	receive and review letter from Upenicks and prepare for to with Trevor Pringle	211 DJJ	.2	99.00	

3

SimpsonWigle LAW LLP

Billing Statement to 13 Oct 21 requested by DJJ

Page:

Date: 13 Oct, 2021

Bill #: ___ Client

MANSP MSI Spergel Inc. 21 King Street West Hamilton ON L8P 4W7

CAN

Client Lawyer: D. J. Jackson

File

Date opened: 17 April 2020

FirstOntario Credit Union v. New Tecumseth Development 800255

Receivership of New Tecumseth Development Corporation (141 Litigation (Non Levy))

TAXABLE -

Responsible: David J. Jackson - Emeritus Assigned: David J. Jackson - Emeritus

Email: tpringle@spergel.ca

David J. Jackson - Emeritus

TIME SUMMARY

Bill

Rate/Hr

Bill Value Entered

Entered Value Last Entry

Hours

10,741.50

Lawyer

Hours 21.7 @495.00

10,741.50

21.7

13 Oct 2021

Appendix **10** to the Third Report of the Receiver dated October 20, 2021

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION Respondent

AFFIDAVIT OF TROY POCALUYKO

I, TROY POCALUYKO, of the City of Burlington, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

- I am a partner at the law firm of Wildeboer Dellelce LLP., counsel for the Receiver, msi Spergel Inc. (the "Receiver"), and as such, have knowledge of the matters to which I hereinafter depose.
- Wildeboer Dellelce LLP was retained by the Receiver to act on its behalf to provide it with legal advice and services with respect to various securities law compliance and related matters arising from and relating to its appointment as Receiver, without security, of all of the assets, undertakings and properties of New Tecumseth Land Corporation, acquired for or used in relation to a business carried on by New Tecumseth Land Corporation.
- 3. Attached hereto and marked as Exhibit "A" to this my Affidavit is a copy of our invoice to the Receiver dated October 15. 2021 which sets out particulars of the services rendered for the period from and including April 1, 2021 and October 15, 2021 by Wildeboer Dellelce LLP. to the Receiver. The invoice is for fees of \$5,784.50 and HST of \$751.99, making a total of \$6,536.49. The invoice remains unpaid.
- 4. Particulars of the hours expended by Troy Pocaluyko with respect to the abovenoted invoice, are particularized in Schedule "A" to our invoice.
- The fees of Wildeboer Dellelce LLP as set out in the aforesaid invoice are generally calculated by multiplying the hours expended by Wildeboer Dellelce LLP's aforesaid lawyer's standard billing rates

- 6. The standard billing rates of Wildeboer Dellelce LLP, are to the best of my knowledge, comparable to the rates charged by other law practitioners and their staff having the same or similar experience and expertise as the lawyers and staff of Wildeboer Dellelce LLP with respect to the provision of similar services to those provided by Wildeboer Dellelce LLP in this matter.
- 7. This Affidavit is made in support of the Receiver's application for approval of its counsel's fees for the period from and including April 1, 2021 to and including October 15, 2021.

SWORN remotely by Troy Pocaluyko of the City of Burlington in the Province of Ontario, before me at the Town of Smithville in the Province of Ontario on this 18th day of October, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely

Commissione for Taking Affidavits (or as may be)

Troy Pocalyko

This is EXHIBIT "A" referred to in the affidavit of Troy Pocaluyko sworn remotely before me this 18th day of October, 2021

Commissioner for Vaking Affidavits (or as may be)

STATEMENT OF ACCOUNT

DELLELCELLP

GST/HST No.: Matter No.:

R134403013

Date:

2101173

October 15, 2021

Suite 1602

MSI Spergel Inc.

21 King Street West

Hamilton, ON L8P 4W7

Invoice No.:

71749

Attention:

Trevor Pringle

Re: Securities Law Advice

TO PROFESSIONAL SERVICES RENDERED to the date hereof with respect to the above-noted matter as set out in Schedule "A" attached hereto; and to all advice, consultations, correspondence and attendances necessary and incidental to the foregoing:

OUR FEE HEREIN	S	5,784.50
HST on Fees	- p	751.99
TOTAL FEES, DISBURSEMENTS AND TAXES Balance as at Last Account	\$ \$	6,536.49 19,183.73
Payments since Last Account	\$	- 19,183.73
TOTAL DUE AND PAYABLE	\$	6,536.49

THIS IS OUR ACCOUNT HEREIN

Try Poulyko

WILDEBOER DELLELCE LLP

Per:

Troy Pocaluyko

E. & O. E.

ACCOUNTS ARE DUE WHEN RENDERED. IN ACCORDANCE WITH THE SOLICITORS ACT, INTEREST AT THE RATE OF 0.5% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS DUE ONE MONTH AFTER THE DATE OF DELIVERY OF THIS ACCOUNT. ALL AMOUNTS REFLECTED HEREIN ARE IN CANADIAN DOLLARS UNLESS SPECIFIED OTHERWISE.



SCHEDULE "A"

FEE DETAIL

Date	Description	Initials
Apr-13-21	review e-mail and draft Receiver report; telephone conversation with D. Jackson; draft paragraph summarizing Addendum	TP
May-03-21	review and respond to e-mails from G. Nalsok re closing requirements for share issuance	TP
Aug-05-21	conf call with T. Pringle and D. Jackson re share distributions and prospectus exemption	TP
Aug-16-21	draft cover letter to investors, accredited investor certificate and risk acknowledgement form; draft e-mail to T. Pringle and D. Jackson	ТР
Aug-30-21	review and respond to e-mail from D. Jackson; revise cover letter; draft e-mail to I. Lemay	ТР
Sep-28-21	e-mail and telephone conversation with T. Pringle; follow up e-mail to and from D. Jackson and I. Lamy; revise and circulate draft cover letter to investors and creditors and accredited investor certificate	TP
Sep-29-21	review e-mails from I. Lamy and T. Pringle; further revisions to accredited investor certificate; send to T. Pringle and D. Jackson.	TP
Oct-04-21	review various investor declarations and representation letters; draft summary of deficiencies; e-mails to and from T. Pringle, D. Jackson and I. Lamy re same	TP
Oct-05-21	review e-mails from I. Lamy and T. Pringle	TP
Oct-15-21	review forms of acknowledgment, accredited investor certificates and risk acknowledgment forms for "Lawsuit Investors"; prepare and populate tracking sheet; e-mails to and from T. Pringle and I. Lamy re same	TP

REMITTANCE ADVICE

For ease of payment, we accept cheques (payable to Wildeboer Dellelce LLP), credit cards (for invoices under \$10,000), cmail transfers (email ar@wildlaw.ca), and wire/electronic funds transfers.

Wire/Electronic Funds Transfer Payment Instructions:

Name of Account:

Wildeboer Dellelce LLP

Account Number:

1346998

Bank:

Royal Bank of Canada

Main Branch Royal Bank Plaza, 200 Bay Street

Toronto, ON M5J 2J5

SWIFT Code:

ROYCCAT2

Transit

00002

Bank Code:

003

Routing (ABA) No.:

021000021

For payment inquiries or to make a payment by credit card, please email ar@wildlaw.ca.

Appendix /(
to the Third Report of the Receiver
dated October 20, 2021

\$ 1,488,259.38 E&EO

District of Ontario
Division No. 09 - Toronto
Estate No. 31-459004

Net Receipts over Disbursements

New Tecumseth Land Corporation

Receiver's Interim Statement of Receipts and Disbursements As at October 19, 2021

RE	CEI	PTS
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Land	\$ 8,996,407.89
Advance from secured creditors	40,000.00
HST-refund	-50,566.52
Interest	4,205.60

TOTAL RECEIPTS	\$ 9,091,180.01
DISBURSEMENTS	
Payment to First Ontario Credit Union	\$ 7,092,883.25
Commission	241,500.00
Legal Fees	73,206.92
Receivers Fees	58,630.50
HST paid	50,566.52
Repayment of Advance including interest	42,974.89
Insurance	14,515.20
Property Taxes	10,423.28
Appraisal fees	9,105.00
Travel	2,434.23
Security	5,070.00
Repairs and Maintenance	1,176.73
License, filing fees, postage and bank charges	434.11_
TOTAL DISBURSEMENTS	7,602,920.63

Appendix 12to the Third Report of the Receiver dated October 20, 2021

New Tecumseth Land Corporation PROJECTED DISTRIBUTION As at October 20, 2021

Remaining Cash Balance in Receiver's Trust Account:		\$ 1,488,259.38
CASH DISTRIBUTION: Second Mortgage - P.D.R Investments Ltds - plus accrued interest to May 3, 2021 Receiver's Fees to October 15, 2021 Legal Fees to October 15, 2021 Provision for Receiver's Fees & Disbursements (including legal fees) to close Unsecured Creditor Parente Borean LLP Lawrence, Lawrence, Stevenson LLP Teplitsky, Colson LLP R.D.M Financial Ltd SCS Consulting Group Ltd. Wildeboer Dellelce LLP	\$ 995,570.11 26,526.75 20,038.73 55,000.00 141,250.00 39,550.00 60,000.00 18,113.58 3,352.99	\$ 1,398,952.16
Remaining Cash		\$ 89,307.22
Promissory Note Holders to receive pro-rata share of remaining cash:	980,652.53	
Italmal Investments Inc. 3,189.2 Tanview Investments Ltd. 2,570.4 Johnwood Investments Inc. 1,319.4 Spano Family Holdings Inc. 7,488.7 P.D.R Investments Ltd. 7,038.4 859055 Ontario Limited 8,814.4 Frank Giambagno in Trust 7,779.8 Villarboit Investment Limited 26,145.0 Villarboit Holdings Ltd 8,127.6 Andy Vankralingen 2,313.1 Triabacus Capital Corp 4,808.7 497227 Ont Ltd (Stefanik) 844.4 Lino Di Iorio 6,077.3 Jerry Di Iorio 2,790.2 Promissory Note Holder Balance:	1.4 1.3 1.5 1.6 1.0 1.1 1.4 1.7 1.8 1.0 1.8	\$ 89,307.22
CASH BALANCE		NIL E&EO

Projected Emergia Share Distribution
Proposed Distribution to Promissory Note Holders from Emergia Shares Available of 4,800,000 per APS @ \$1.00/share:

4,800,000.00

	Original Loan:	Cash Payout (above):	Remaining to distribute:	# of Share payout @ \$1.00/share
Italmal Investments Inc.	35,020.20	(3,189.26)	31,830.94	31,830.94
Tanview Investments Ltd.	28,225.10	(2,570.44)	25,654.66	25,654.66
Johnwood Investments Inc.	14,488.20	(1,319.43)	13,168.77	13,168.77
Spano Family Holdings Inc.	82,231.00	(7,488.71)	74,742.29	74,742.29
P.D.R Investments Ltd.	77,286.90	(7,038.45)	70,248.45	70,248.45
859055 Ontario Limited	96,788.63	(8,814.46)	87,974.17	87,974.17
Frank Giambagno in Trust	85,427.37	(7,779.80)	77,647.57	77,647.57
Villarboit Investment Limited	287,089.60	(26,145.01)	260,944.59	260,944.59
Villarboit Holdings Ltd	89,246.93	(8,127.64)	81,119.29	81,119.29
Andy Vankralingen	25,400.16	(2,313.17)	23,086.99	23,086.99
Triabacus Capital Corpn	52,803.56	(4,808.78)	47,994.78	47,994.78
497227 Ont Ltd (Stefanik)	9,272.05	(844.40)	8,427.65	8,427.65
Lino Di Iorio	66,733.67	(6,077.38)	60,656.29	60,656.29
Jerry Di Iorio	30,639.16	(2,790.28)	27,848.88	27,848.88
,	980,652.53	(89,307.22)	891,345.31	891,345.31

891,345

Remaining Emergia Shares available for distribution to Investors after Promissory Notes paid out:

3,908,655

Payout of Equity Holders based on percentages:

NON - LAWSUIT INVESTORS:	Percentage Ownership:	Number of Shares investor
1167948 Ontario Inc.	0.77%	29,991
2115307 Ontario Limited	2.91%	113,637
859055 Ontario Limited	2.09%	81,856
Lino Di Iorio, In Trust	3.07%	119,965
Louise Di Iorio	1.53%	59,983
Fairgreen Ventures Inc.	1.53%	59,983
Ferro DeBiasio	1.61%	63,122
S.C.R.A.P.S Investments Ltd.	1.61%	63,122
Frank Giambagno, In Trust	10.48%	409,517
Italmal Investments Inc.	4.60%	179,948
Johnwood Investments Inc.	1.75%	68,234
Philip Lanni	1.53%	59,983
Michael and David Di Iorio	1.53%	59,983
Michael Di Iorio	0.77%	29,991
Ottimo Foods Inc., In Trust	3.07%	119,965
P.D.R Investments Ltd	10.48%	409,657
Philip Stefaniak	1.53%	59,983
R & FS Holdings Inc.	3.84%	149,957
Tanview Investments Limited	4.19%	163,838
A, Vankralingen & R. Borland	4.19%	163,838
Villarboit Investments Limited	3.14%	122,847
Winstone Investments Inc.	1.94%	75,728
Total:	68.19%	2,665,128
LAWSUIT INVESTORS:		
1282291 Ontario Limited	2.30%	89,974
Paul and Mary Leva	1.53%	59,983
594633 Ontario Ltd	2.30%	89,974
Athabasca Holdings Inc.	2.30%	89,974
Michael and Heather Mayhew	1.53%	59,983
Luvax Holdings Inc.	1.53%	59,983
Castelago Holdings Inc.	1.53%	59,983
Antonini Family Holdings Inc.	3.84%	149,957
Spano Family Holdings Inc.	4.60%	179,948
Centreside Contracting Ltd.	4.60%	179,948
Salisi Investments Ltd.	1.53%	59,983
Frank Marchetti in Trust	4.19%	163,838
Total:	31.81%	1,243,527
Total Equity %:	100.00%	3,908,655

3,908,655

NIL E&EO SHARE BALANCE

Court File No. CV-20-639679-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

THE HONOURABLE)	FRIDAY, THE 29^{TH}
JUSTICE PATTILLO)	DAY OF OCTOBER, 2021

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

NEW TECUMSETH LAND CORPORATION

Respondent

DISTRIBUTION ORDER

THIS MOTION, made by msi Spergel Inc. in its capacity as the Court-appointed receiver (the "Receiver") without security, of all of the assets, undertakings and properties of New Tecumseth Land Corporation (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at Toronto, Ontario, via Zoom videoconference during COVID-19 pandemic.

ON READING the Notice of Motion, the Third Report and appendices thereto, and on hearing the submissions of counsel or from "representatives" for those parties listed on the counsel slip, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Sherine Burke affirmed October 20, 2021, filed and upon being advised by counsel for the Receiver that all Investors and known unsecured creditors of the Debtor were delivered a copy of the Motion Record by email to last known email address of such Investor and unsecured creditor:

- 1. **THIS COURT ORDERS AND DECLARES** that any requirement for service of the Notice of Motion, the Third Report and Motion Record be and is hereby abridged, that the Motion is properly returnable today and that all parties requiring notice of this Motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.
- THIS COURT ORDERS AND DIRECTS that the conduct, activities and actions of the Receiver as set out in the Third Report be and are hereby authorized and approved.
- THIS COURT ORDERS AND DIRECTS that the Receiver's Statement of Receipts and Disbursements, as detailed in the Third Report, are hereby approved.
- 4. **THIS COURT ORDERS** that the Receiver's Fees and its Counsel Fees, as detailed in the Third Report, are hereby approved and the Receiver is authorised to pay the same.
- 5. **THIS COURT ORDERS** that after payment of the Receiver's Fees and its Counsel Fees herein approved and subject to the Receiver maintaining sufficient reserves ("Reserves") to satisfy all charges as set out in the Appointment Order and as the Receiver deems necessary to complete the administration of the Receivership proceedings, the Receiver is hereby authorized to make a distribution as follows:
 - (a) Firstly, payment to the second in priority creditor, P.D.R. Investments Limited in the amount of \$995,570.11;
 - (b) Secondly, payment to the unsecured creditors of the Debtor as follows:
 - i. \$141,250.00 to the law firm of Parente Borean (attention Don Parente);
 - ii. \$39,550.00 to the law firm of Lawrence, Lawrence, Stevenson LLP;
 - iii. \$39,550.00 to the law firm of Teplitsky, Colson LLP;
 - iv. \$60,000.00 to R.D.M. Financial Ltd.;
 - v. \$18,113.58 to SCS Consulting Group Ltd.; and
 - vi. \$3,352.99 to Wildeboer Dellelce LLP;

- (c) Thirdly, payment to the Promissory Note Holders, on a pro-rated basis, of the remaining cash proceeds from the Sale Agreement, with each Promissory Note Holder receiving that percentage of the remaining cash that the subject Promissory Note Holder's Indebtedness is of the Total Promissory Note Holder Indebtedness as defined in the Third Report;
- (d) Fourthly, directing Emergia Inc., subject to applicable securities law, to issue and to deliver to each Promissory Note Holder the number of shares of Emergia Inc. required to fully pay the balance of the subject "Promissory Note Holder's Indebtedness", after crediting the aforesaid cash payment delivered pursuant to paragraph 5(c) hereof. The number of Emergia shares to be delivered to each Promissory Note Holder, as aforesaid, will be calculated on the basis that each Emergia share has a stipulated deemed value of \$1.00;
- (e) Fifthly, directing Emergia Inc., subject to applicable securities law, to issue the Stakeholder Shares, as defined in the Third Report, to the Investors, respectively, on a pro-rated basis, in accordance with the Investor's "percentage ownership" as referenced in paragraph 1.0.19 (g) of the Third Report;
- (f) Sixthly, subject to applicable securities law and the rights of Emergia Inc. as detailed in the Fifth Addendum to the Sale Agreement, deliver the Receiver's Shares as defined in the Third Report or if applicable, the proceeds of sale of such Receiver's Shares to the Investors, respectively, on a pro-rated basis in accordance with the Investor's "percentage ownership" as referenced in paragraph 1.0.19(g) of the Third Report;

such distribution is in full and final satisfaction of the indebtedness and liabilities of the Debtor to the aforesaid parties and in full and final satisfaction of the Investors' interest in the Debtor.

FIRSTONTARIO CREDIT UNION LIMITED Applicant

- AND -

Court File No. CV-20-639679-00CL **NEW TECUMSETH LAND CORPORATION**

Respondent

SUPERIOR COURT OF JUSTICE ONTARIO

(Commercial Court)

PROCEEDINGS COMMENCED AT TORONTO

DISTRIBUTION ORDER

SimpsonWigle LAW LLP

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FIRSTONTARIO CREDIT UNION LIMITED Applicant

- AND -

Court File No. CV-20-639679-00CL NEW TECUMSETH LAND CORPORATION

Respondent

ONTARIO SUPERIOR COURT OF JUSTICE (Commercial Court)

PROCEEDINGS COMMENCED AT TORONTO

MOTION RECORD

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